Consolidated financial statements

Consolidated income statement

1 January to 31 December

In EUR million/as indicated	Note	2024	2023 (restated)[1]
Revenues	4	**2,477.7**	**2,385.3**
Other operating income	5	46.1	44.1
Other own work capitalised	6	24.6	24.5
Cost of materials	7	– 1,503.8	– 1,470.5
Personnel expenses	8	– 235.5	– 218.5
Other operating expenses	10	– 287.6	– 260.9
thereof: result from impairment losses on financial assets and contractual assets		– 14.8	– 12.8
thereof: excluding result from impairment losses on financial assets and contractual assets		– 272.8	– 248.2
EBITDA[2]		**521.5**	**503.9**
Depreciation, amortisation and impairment	9	– 146.0	– 247.6
EBIT[3]		**375.5**	**256.3**
Result of equity-accounted investments	17	– 5.1	– 2.6
Interest and similar income	11	6.8	6.4
Interest and similar expenses	12	– 32.5	– 29.5
Other financial result	12	0.5	0.5
Financial result		**– 30.3**	**– 25.2**
EBT		**345.2**	**231.1**
Income taxes	13	– 48.8	– 63.4
Consolidated profit from continuing operations		**296.4**	**167.6**
Consolidated profit from discontinuing operations		– 50.8	– 8.3
Consolidated profit		**245.6**	**159.3**
Consolidated profit attributable to shareholders of freenet AG	24	246.8	157.6
Consolidated profit attributable to non-controlling interests	24	– 1.2	1.7
Earnings per share (EPS) basic and diluted from continuing operations (in EUR)		**2.50**	**1.40**
Earnings per share (EPS) basic and diluted from discontinuing operations (in EUR)		– 0.42	– 0.07
Earnings per share (EPS) basic and diluted (in EUR)	14.1, 14.2	**2.08**	**1.33**
Weighted average number of shares outstanding in units, basic and diluted (in millions)	24.1	118.9	118.9

[1] Please refer to Note 2.17 in the Notes to the consolidated financial statements for reference to the adjustments to the 2023 comparative figures
[2] EBITDA is defined as earnings before interest and taxes (EBIT) plus depreciation, amortisation and impairments
[3] EBIT is defined as earnings before interest and taxes (EBIT)

Consolidated statement of comprehensive income

1 January to 31 December

In EUR million	Note	2024	2023 (restated)[1]
Consolidated profit		**245.6**	**159.3**
Currency conversion differences		0.0	0.0
Other comprehensive income/to be reclassified to the income statement in future periods		**0.0**	**0.0**
Change in fair value of investments in equity instruments		8.8	17.1
Recognition of actuarial gains and losses from the accounting of pension plans in accordance with IAS 19 (2011)	29	– 4.0	– 8.4
Income taxes recognised in other comprehensive income		1.1	2.3
Other comprehensive income/not to be reclassified to the income statement in future periods		**5.9**	**11.0**
Other comprehensive income		**6.0**	**11.0**
Consolidated total comprehensive income		**251.6**	**170.3**
Consolidated total comprehensive income attributable to shareholders of freenet		252.8	168.5
Consolidated comprehensive income attributable to non-controlling interests		– 1.2	1.7

[1] Please refer to Note 2.17 in the Notes to the consolidated financial statements for reference to the adjustments to the 2023 comparative figures

Consolidated balance sheet

31 December

Assets

In EUR million	Note	31.12.2024	31.12.2023 (restated)[1]
Non-current assets			
Intangible assets	15, 16, 37	159.3	190.8
Lease assets	2.5	223.5	293.6
Goodwill	15, 16	1,384.8	1,379.8
Property, plant and equipment	15, 16, 37	111.6	129.4
Equity-accounted investments	17	0.4	0.3
Deferred income tax assets	18	97.2	108.2
Trade accounts receivable	21	43.9	44.8
Other receivables and other assets	21	88.7	93.2
Other financial assets	21	115.4	126.7
Contract acquisition costs	19	299.0	282.9
		2,523.9	**2,649.6**
Current assets			
Inventories	20	46.7	63.8
Current income tax assets	23	0.2	0.2
Trade accounts receivable	21	337.4	312.7
Other receivables and other assets	21	189.2	167.4
Other financial assets	21	63.0	70.7
Liquid assets	22	181.6	159.8
		818.1	**774.7**
Total assets		**3,342.0**	**3,424.3**

[1] Please refer to Note 2.17 in the Notes to the consolidated financial statements for reference to the adjustments to the 2023 comparative figures

Equity and liabilities

In EUR million	Note	31.12.2024	31.12.2023 (restated)[1]
Equity			
Share capital	24.1	118.9	118.9
Capital reserve	24.2	567.5	567.5
Accumulated other comprehensive income	24.3	– 155.5	– 161.5
Consolidated balance sheet result	24.4	958.3	921.9
Equity attributable to shareholders of freenet AG		**1,489.2**	**1,446.7**
Equity attributable to non-controlling interests	24.5	– 5.0	– 3.8
		1,484.2	**1,442.9**
Non-current liabilities			
Lease liabilities	2.5, 28	201.0	269.0
Other liabilities and accruals	26	119.0	118.1
Other financial liabilities	26	21.8	56.8
Financial liabilities	28	223.0	250.1
Pension provisions	29	70.2	68.2
Other provisions	30	73.4	83.0
		708.3	**845.3**
Current liabilities			
Lease liabilities	2.5, 28	77.5	78.3
Trade accounts payable	26	316.9	337.7
Other liabilities and accruals	26	448.6	443.8
Other financial liabilities	26	40.7	38.3
Current income tax liabilities	27	23.4	28.7
Financial liabilities	28	195.6	180.7
Other provisions	30	46.9	28.6
		1,149.5	**1,136.1**
Total equity and liabilities		**3,342.0**	**3,424.3**

[1] Please refer to Note 2.17 in the Notes to the consolidated financial statements for reference to the adjustments to the 2023 comparative figures

Consolidated statement of changes in equity

1 January to 31 December 2024

			Accumulated other comprehensive income						
In EUR million	Share capital	Capital reserve	Currency conversion differences	Change in fair value of investments in equity instruments	Revaluation reserve in accordance with IAS 19	Consolidated balance sheet result	Equity attributable to shareholders of freenet AG	Equity attributable to non-controlling interests	Equity
As of 1 January 2024	**118.9**	**567.5**	**0.8**	**– 150.0**	**– 12.3**	**921.9**	**1,446.7**	**– 3.8**	**1,442.9**
Dividend payment	0.0	0.0	0.0	0.0	0.0	– 210.4	– 210.4	0.0	– 210.4
Consolidated profit	0.0	0.0	0.0	0.0	0.0	246.8	246.8	– 1.2	245.6
Change in the fair value of financial investments in equity instruments [1]	0.0	0.0	0.0	8.7	0.0	0.0	8.7	0.0	8.7
Recognition of actuarial gains and losses in accordance with IAS 19 (2011) [1]	0.0	0.0	0.0	0.0	– 2.7	0.0	– 2.7	0.0	– 2.7
Foreign currency translation [1]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal: Consolidated total comprehensive income	0.0	0.0	0.0	8.7	– 2.7	246.8	252.8	– 1.2	251.6
As of 31.12.2024	**118.9**	**567.5**	**0.8**	**– 141.3**	**– 15.0**	**958.3**	**1,489.2**	**– 5.0**	**1,484.2**

1 The amounts are netted with the income taxes recognised in other comprehensive income

1 January to 31 December 2023

			Accumulated other comprehensive income						
In EUR million	Share capital	Capital reserve	Currency conversion differences	Change in fair value of investments in equity instruments	Revaluation reserve in accordance with IAS 19	Consolidated balance sheet result	Equity attributable to shareholders of freenet AG	Equity attributable to non-controlling interests	Equity
As of 1 January 2023	**118.9**	**567.5**	**0.8**	**– 166.9**	**– 6.4**	**960.9**	**1,474.7**	**– 5.5**	**1,469.2**
Effect from the change in accounting method regarding customer bonuses due to number porting [2]	0.0	0.0	0.0	0.0	0.0	7.1	7.1	0.0	7.1
Effect of the change in accounting method with regard to Employee incentive programmes (LTIP programmes 3 and 4) [2]	0.0	0.0	0.0	0.0	0.0	– 4.0	– 4.0	0.0	– 4.0
As of 1 January 2023 (adjusted)	**118.9**	**567.5**	**0.8**	**– 166.9**	**– 6.4**	**964.0**	**1,477.8**	**– 5.5**	**1,472.3**
Dividend payment	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	157.6	157.6	1.7	159.3
Change in the fair value of financial investments in equity instruments [1]	0.0	0.0	0.0	16.9	0.0	0.0	16.9	0.0	16.9
Recognition of actuarial gains and losses in accordance with IAS 19 (2011) [1]	0.0	0.0	0.0	0.0	– 5.8	0.0	– 5.8	0.0	– 5.8
Foreign currency conversion [1]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal: Consolidated total comprehensive income	0.0	0.0	0.0	16.9	– 5.8	157.6	168.5	1.7	170.3
As of 31.12.2023	**118.9**	**567.5**	**0.8**	**– 150.0**	**– 12.3**	**921.9**	**1,446.7**	**– 3.8**	**1,442.9**

1 The amounts are netted with the income taxes recognised in other comprehensive income
2 With regard to the adjustments, please refer to the references in Note 2.17 of the Notes to the 2024 consolidated financial statements

For further explanations, see the Notes to the consolidated financial statements, Note 24.

Consolidated statement of cash flows

1 January to 31 December

In EUR million	Note	2024	2023 (restated) [1]
Earnings before interest and taxes (EBIT) from continuing operations		**375.5**	**256.3**
Adjustments:			
Depreciation, amortisation and impairment of non-current assets	9	146.0	247.6
Dividends received from equity investments		0.1	0.0
Profits/losses from the disposal of non-current assets		– 0.2	0.5
Increase in networking capital not attributable to investing or financing activities	20, 21, 26, 29, 30	– 55.7	– 56.9
Cash inflows from the redemption of financial assets from leases		15.1	13.5
Capitalisation of contract acquisition costs	19	– 323.7	– 300.5
Amortisation of contract acquisition costs	19	307.6	292.4
Taxes paid	13, 18	– 38.5	– 30.2
Income from interest and other financial result	11, 12	5.0	4.4
Interest paid	11, 12	– 25.0	– 24.1
Cash flow from operating activities from continuing operations		**406.3**	**403.0**
Cash flow from operating activities from discontinuing operations		– 35.6	– 5.0
Cash flow from operating activities	32.1	**370.7**	**398.0**
Cash outflows for investments in property and intangible assets		– 43.7	– 51.4
Cash inflows from the disposal of property and intangible assets		5.4	2.9
Cash outflows for the acquisition of subsidiaries		– 6.5	0.0
Cash inflows from the sale of equity-accounted companies		0.1	0.5
Cash outflows into equity of equity-accounted investments		– 5.3	– 2.8
Cash outflows to acquire other equity investments		– 0.2	– 0.3
Cash inflows from the sale of other investments		8.2	0.0
Cash flow from investing activities from continuing operations		**– 42.0**	**– 51.1**
Cash flow from investing activities from discontinuing operations		– 0.4	– 4.2
Cash flow from investing activities	32.2	**– 42.3**	**– 55.3**
Cash outflows to company owners and minority shareholders		– 210.4	– 199.7
Cash inflows from the raising of financial liabilities	28	164.5	35.0
Cash outflows from the repayment of financial liabilities	28	– 178.5	– 113.5
Cash outflows from the repayment of lease liabilities	28	– 75.7	– 77.9
Cash flow from financing activities from continuing operations		**– 300.0**	**– 356.1**
Cash flow from financing activities from discontinuing operations		– 6.6	– 4.8
Cash flow from financing activities	32.3	**– 306.6**	**– 360.9**
Net change in cash funds		**21.8**	**– 18.2**
Cash funds at the beginning of the period		159.8	178.0
Cash funds at the end of the period		181.6	159.8

Composition of cash funds

In EUR million	31.12.2024	31.12.2023 (restated) [1]
Liquid assets	181.6	159.8
Cash funds	**181.6**	**159.8**

Composition of free cash flow [2]

In EUR million	2024	2023 (restated) [1]
Cash flow from operating activities from continuing operations	406.3	403.0
Cash outflows for investments in property, plant and equipment and intangible assets from continuing operations	– 43.7	– 51.4
Cash inflows from the disposal of property, plant and intangible assets from continuing operations	5.4	2.9
Cash outflows for the repayment of lease liabilities from continuing operations	– 75.7	– 77.9
Free cash flow from continuing operations	**292.3**	**276.6**

1 Please refer to Note 2.17 in the Notes to the consolidated financial statements for reference to the adjustments to the 2023 comparative figures
2 Free cash flow is a non-GAAP key figure

Notes to the consolidated financial statements

Notes to the consolidated financial statements

1 General information

1.1 Business activity and accounting standards

freenet AG ("Company") as the parent company of the Group ("freenet") has its registered office at Hollerstraße 126, 24782 Büdelsdorf, Germany. The Company was founded in 2005 and is registered at Kiel District Court under HRB 7306. The Group provides telecommunications, broadcasting and multimedia services in Germany with a focus on mobile communications/mobile internet and digital lifestyle.

The consolidated financial statements for the 2024 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union as of 31 December 2024. In addition, the commercial law provisions applicable in accordance with Section 315e HGB were observed.

The consolidated financial statements were prepared in euros, the company's functional currency. All amounts are presented in thousands of euros (EUR thousand) or millions of euros (EUR million), as appropriate.

The consolidated financial statements are based on the principle of historical cost – limited by the assessment of the fair value of certain financial assets. The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation principles. They are prepared as of the reporting date of the consolidated financial statements.

The consolidated financial statements are submitted to the company register.

The following table shows the new or amended standards (IAS/IFRS) and interpretations (IFRIC) whose application is mandatory from 1 January 2024 and their impacts on the Group:

Standard/Interpretation		Effective date	Adopted by the EU Commission	Effects
IFRS 16	Amendments to IFRS 16 Leases: Lease liabilities on sale and leaseback	1.1.2024	20.11.2023	No material effects
IAS 1	Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with ancillary conditions	1.1.2024	19.12.2023	No material effects
IAS 7 IFRS 7	Amendments to IAS 7 and IFRS 7 – Supplier Financing Arrangements	1.1.2024	15.05.2023	No material effects

The following table shows the new or amended standards (IAS/IFRS) and interpretations (IFRIC) that are not yet mandatory in the 2024 financial year and their impact on the Group:

Standard/Interpretation		Effective date	Adopted by the EU Commission	Effects
IAS 21	Amendments to IAS 21: Lack of interchangeability	1.1.2025	12.11.2024	No effects

1.2 Basis of consolidation

All companies that are controlled by the Group are included in the consolidated financial statements as subsidiaries. For a complete list of all companies included in the consolidated financial statements of freenet AG, please refer to our disclosures pursuant to Section 315e HGB in Note 37. In accordance with IFRS 11, there are two forms of joint arrangements, depending on the structure of the rights and obligations arising from the joint arrangement: joint operations and joint ventures.

Associated companies are companies over which the Group exercises significant influence but over which it does not have control, usually accompanied by a share of voting rights of between 20% and 50%.

The companies 01019 Telefondienste GmbH, 01024 Telefondienste GmbH, freenet.de GmbH, freenet Cityline GmbH, freenet Datenkommunikations GmbH, 01050.com GmbH, vitrado GmbH, freenet Direkt GmbH, MobilCom Multimedia GmbH, freenet Shop GmbH, SuperNova GmbH (formerly: SuperNova Holding GmbH), Gravis Computervertriebsgesellschaft mbH (“Gravis”), freenet Energy GmbH, freenet Shopping GmbH, freenet Logistik GmbH, Taunus Beteiligungs GmbH, Field Service Deutschland FSD GmbH, Media Broadcast TV Services GmbH, audio.digital NRW GmbH and The Cloud Networks Germany GmbH will make use of the exemption provisions of Section 264 (3) HGB for the annual financial statements as of 31 December 2024.

SuperNova GmbH & Co KG, Cologne, which was acquired in the 2024 financial year, was merged into SuperNova GmbH, Cologne, in 2024. There were no other changes to the basis of consolidation.

1.3 Consolidation principles

Companies are included in the consolidated financial statements for the first time (full consolidation) with effect from the date on which control of the subsidiary is transferred to the Group. They are deconsolidated on the date on which control ends. The company controls a company if it can exercise control over the investee, it is exposed to fluctuating returns from the investment and the company can influence the amount of the returns due to its control. Control is generally associated with a share of voting rights of more than 50%. However, when assessing whether control exists, the existence and impact of potential voting rights, rights from other contractual agreements and, if applicable, other facts and circumstances that indicate the possibility of control are therefore also taken into account. The Group therefore also assesses whether control exists if the parent company holds less than 50% of the voting rights but has the ability to direct the relevant activities of the company. Control may also exist, for example, on the basis of voting right agreements. freenet AG carries out a reassessment if there are indications that one or more of the control criteria have changed. Amounts attributable to minority interests are recognised separately.

Capital consolidation is based on the purchase method.

The cost of a business combination is the total of the fair values of the assets paid, the liabilities incurred or assumed and any equity instruments issued for acquisition purposes. The acquisition costs also include the fair values of any recognised assets and liabilities resulting from a contingent consideration agreement.

All identifiable assets, liabilities and contingent liabilities of the acquired company that meet the recognition criteria of IFRS 3.37 are recognised separately at fair value, regardless of the amount of any non-controlling interest. For each business combination, the Group decides on an individual basis whether the non-controlling interests in the acquired company are recognised at fair value or on the basis of the proportionate share of the net assets of the acquired company.

Acquisition-related costs are recognised as an expense when they are incurred.

If options to tender additional shares are granted by non-controlling shareholders in Group companies, the accounting is based on the allocation of opportunities and risks from these shares. If the opportunities and risks are transferred to the freenet Group, the equity in the Group attributable to the non-controlling shareholders is reduced accordingly. Only a financial liability is then recognised in relation to the option obligation. If the opportunities and risks remain with the non-controlling shareholder, the equity attributable to the non-controlling shareholders is recognised. In this case, the financial liability relating to the option obligation is recognised at the expense of the equity attributable to the shareholders of freenet AG. The initial assessment of the financial liability is carried out at the cash value of the estimated repurchase amount at the expected exercise date and the subsequent assessment at amortised cost using the effective interest method, taking into account possible changes in the repurchase amount.

Transactions with non-controlling interests without loss of control are treated as transactions with equity providers of the Group. Any difference arising from the acquisition of a non-controlling interest between the consideration paid and the relevant share of the carrying amounts of the subsidiary's net assets is recognised in equity. Gains and losses arising on the disposal of non-controlling interests are also recognised in equity.

The goodwill recognised at the acquisition date is the excess of the cost of the business combination over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Any excess of the acquirer's interest in the fair value of the acquiree's share of net assets over cost is recognised immediately in profit or loss.

Investments in associated companies and joint ventures are included in the consolidated financial statements using the equity method so that the measurements of the investments are increased or decreased annually by the changes in the equity of the respective company attributable to the freenet Group. The Group's share in the profits and losses of associated companies and joint ventures is recognised in the income statement and in other comprehensive income from the date of acquisition. Dividend payments received reduce the carrying amount of the investment in the associate. The goodwill from the acquisition of associated companies and joint ventures is not recognised separately. If the Group's share of the losses of an associated company or joint venture equals or exceeds the value of its investment in these companies, the Group does not recognise any further shares of losses. After the carrying amount of the investment has been reduced to zero, additional losses are only taken into account and recognised as a liability to the extent that the Group has entered into legal or constructive obligations or made payments for the associate or joint venture.

If the Group loses control of a company, the remaining interest is reassessed at fair value and the resulting difference is recognised as a gain or loss. In addition, all amounts recognised in other comprehensive income in relation to this company are accounted for as would be required if the parent company had sold the associated assets and liabilities directly. This means that a gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Intragroup profits and losses, revenues, expenses and income as well as receivables and liabilities between consolidated companies are eliminated. The same applies to joint ventures and associated companies in the case of the elimination of intercompany profits and losses.

1.4 Climate-related impacts

The impacts of climate change on freenet's business model are analysed on an ongoing basis, particularly with regard to a transition to an economy with lower carbon emissions. Based on this analysis, the Executive Board does not see any material physical climate risk with impacts on the measurements of the recognised property, plant and equipment and intangible assets. However, a material transitory risk was identified that could lead to higher costs for purchased products and services in the long term – if the price of carbon emissions is increased – but can be mitigated by appropriate actions, such as switching to renewable energies or using an electrified vehicle fleet. As a result of the analysis, the Executive Board assumes that freenet's business model will only be slightly affected by the progression of climate change or due to the actions taken to mitigate it.

2 Accounting policies

The following accounting policies were applied in the preparation of these consolidated financial statements. The accounting policies have been applied consistently to the prior year.

2.1 Recognition of revenues

The methodology for recognising revenues in accordance with IFRS 15 is based on a multi-step approach. Firstly, the customer contract and the performance obligations contained therein must be identified. The consideration agreed for this (the transaction price) must then be determined as a whole and allocated to the separate performance obligations on the basis of the relative stand-alone selling prices. Finally, revenues must be recognised for each identified performance obligation as soon as the performance obligation has been satisfied by transferring a promised good or service (asset) to the customer. An asset is deemed to have been transferred when the customer has obtained control over it. A distinction is made between the fulfilment of performance obligations at a point in time (e.g. delivery of mobile communications hardware) and the fulfilment of performance obligations over time (e.g. provision of mobile communications services over 24 months).

The Group mainly provides services over a short performance period. Revenue is recognised once the service has been rendered in full, provided the amount can be reliably determined and it is sufficiently probable that future economic benefits will flow to the company. Services rendered but not yet invoiced are recognised accordingly in the consolidated financial statements. Revenues are recognised excluding value added tax and after deduction of discounts and other price reductions. Revenues comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business.

The majority of the Group's revenues are generated from a large number of end customers, while the remaining revenues are attributable to business customers.

We would also like to point out the following with regard to revenues recognition (for a breakdown by business segment, see Note 3, Segment reporting):

Revenues in the mobile communications segment are primarily generated from the provision of wireless services, one-off provision fees and the sale of mobile devices and accessories. Revenues from wireless services (voice communication and data transmission) include monthly service charges, charges for special features as well as connection and roaming charges. The fees from mobile services are recognised as revenues over the period in which the service is provided using the output method, as this reflects the direct provision of the service. Depending on the nature of the associated service, provision fees are recognised at the time the service is provided or over the term of the contract. Revenue from the sale of mobile devices and accessories is recognised at the time the goods are delivered to the customer or distributor. In addition, revenues are generated in the segment as part of the planning, construction, installation and maintenance of WiFi networks at schools, which are recognised at the time the service is provided.

With regard to certain brokerage services provided by dealers, where the amount of the dealer commission depends on the future retention of the new customers acquired in the Group’s customer base and the amount of the Group’s future revenues from the new customers acquired, the services received are deferred at their most likelihood of occurrence and recognised as an expense on a straight-line basis over the average term of the associated end customer contract.

Revenues in the TV and Media segment are generated through the provision of services to end customers in the areas of IPTV and DVB-T2 as well as through the operation and service of broadcast-related solutions for business customers in the broadcasting and media industry. Revenue is generally recognised over time when the service is provided to the customer using the output method, as this reflects the direct provision of the service due to the time-related provision of the service. In the TV and Media segment, revenues from the delivery of hardware to end customers are also recognised at a point in time, although not to a significant extent.

In addition to the freenet infrastructure, the business models in the mobile communications and TV and Media segments also utilise preliminary products from partners such as network operators, manufacturers of hardware and applications and TV and radio programme producers, which are sold via freenet’s direct and indirect sales channels in accordance with the corresponding packaging. In accordance with IFRS 15, it must be assessed whether freenet provides the services or products delivered to the customer as a headmaster or merely acts as an agent for the partner. According to IFRS 15, a headmaster position can only be assumed if freenet has control over the specific good or service before it is transferred to the customer.

In the services and products sold via the direct sales channel in the Mobile Communications segment and for the services and products offered in the TV and Media segment, freenet generally acts as the headmaster because the contractual relationship exists between freenet and the customer, freenet has control over the products and services before they are transferred to the customer and the price for the services and products is set by freenet. Accordingly, freenet recognises the full transaction price as revenues.

In the indirect sales channel in the Mobile Communications segment, contract constellations frequently occur in which wireless services contracts are sold by third-party dealers in the name and for the account of freenet together with subsidised wireless devices that are sold by these third-party dealers in their name and for their account. While freenet acts as headmaster for the mobile phone contracts due to its power of disposal and pricing authority, the third-party dealers are to be regarded as headmasters for the mobile phones sold. Freenet has no power of disposal over these devices prior to transfer to the customer, bears no sales risk and also has no influence on the price set. In this respect, freenet recognises the full transaction price for the wireless services as revenues, but no revenues from the sale of the wireless devices in these contracts.

For an explanation of “Consideration Paid”/”Consideration Payable”, please refer to Note 21.

2.2 Intangible assets

Goodwill is tested for impairment at least once a year and whenever there are indications of impairment and is assessed at its original cost less accumulated impairment losses.

For this purpose, goodwill is allocated to cash-generating units. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. For the specific allocation, see Note 15, Intangible assets, lease assets, property, plant and equipment, and goodwill, and Note 16, Impairment testing of non-monetary assets in accordance with IAS 36.

The other trademarks are recognised at cost and amortised on a straight-line basis over their expected useful life of 18 to 180 months. As of the balance sheet date of 31 December 2024, the remaining useful life of these trademarks is 74 months.

Licences, software and other intangible assets are recognised at cost and amortised on a straight-line basis over their expected useful life, generally three to four years for software and three to ten years for licences.

Costs incurred in connection with the development or maintenance of software programs are generally recognised as an expense in the year in which they are incurred. If the costs can be clearly allocated to a definable software product that can be utilised by the company and if the total expected economic benefit exceeds the costs incurred, they are capitalised as an intangible asset in the "Internally generated software" category. The costs of development are only capitalised at the time when technical and economic feasibility can be demonstrated. These costs include, for example, the personnel costs of the software development team or expenses for services and fees incurred in the creation of the asset. They also include an appropriate portion of the corresponding overheads. Capitalised software development costs are amortised using the straight-line method over their expected useful life of three to seven years.

Customer relationships are amortised on a straight-line basis over a term of 42 to 262 months. As of the balance sheet date of 31 December 2024, the remaining useful life of the recognised customer relationships is between 30 and 168 months.

Distribution rights are amortised on a straight-line basis over the expected term of the underlying contracts of 36 months. As of the balance sheet date of 31 December 2024, the remaining useful life of the recognised distribution rights is 9 months.

2.3 Property, plant and equipment

Property, plant and equipment is generally measured at cost less straight-line depreciation and any impairment losses. The underlying useful lives correspond to the expected useful life of the assets in the company. Residual values have been disregarded in the calculation of depreciation and amortisation due to immateriality.

Residual carrying amounts and economic useful lives are reviewed at each balance sheet date and adjusted if necessary.

Scheduled depreciation of property, plant and equipment is generally based on the following useful lives:

Asset	Useful life
Building	10 to 50 years
Technical equipment and machinery	3 to 15 years
Motor vehicles	6 to 10 years
IT equipment	3 to 8 years
Telecommunications equipment and hardware	2 to 8 years
Leasehold improvements	3 to 10 years

2.4 Impairment of non-monetary assets

An impairment of non-monetary assets is always recognised if the carrying amounts exceed the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and the value in use.

An impairment test must be carried out if events or changes in circumstances (triggering events) indicate that the asset may be impaired. In accordance with IAS 36, goodwill and intangible assets with an indefinite useful life must be tested for impairment at least once a year.

If the reason for impairment no longer applies, the asset is written up to a maximum of the amortised cost. This does not apply to goodwill, as no write-ups are possible here.

2.5 Leases

2.5.1 freenet as lessee

In principle, the Group decides on a case-by-case basis whether to lease or buy assets. Agreements that transfer the right to use assets for a certain fixed period in return for a payment or a series of payments are classified as leases.

For leases for the rental of sites, co-location leases, shop/store space, TV and Media network infrastructure, motor vehicles and other assets, the Group recognises a lease liability as lessee in the amount of the present value of the lease payments to be made over the term of the lease. When determining the present value, fixed lease payments, variable index-based payments, reasonably certain renewal options, exercise prices of purchase options and payments from early termination of the leases less rental incentives received are taken into account. The lease payments determined are calculated as of the commencement date of the lease (commencement date) using the corresponding incremental borrowing rate. The lease liabilities are reduced until the lease expires in the amount of the repayment portion of the lease payment – corresponding interest expenses are recognised in the financial result.

At the same time, the Group as lessee capitalises a right-of-use asset in the amount of the acquisition costs at the inception of the lease. Based on the lease liability, the acquisition costs may be increased by initial direct costs, dismantling costs and lease payments that are made by the lessee before or at the start of the lease term and are therefore not included in the lease liability. The right-of-use assets are amortised over the shorter of the lease term or the useful life of the leased asset.

When extension options are exercised and the term of the Leases is modified, the right-of-use asset and the lease liabilities are adjusted in the same amount at the time of the modification and the interest rate is recalculated at the time the term is adjusted. Lease modifications resulting from a change in an index-based rate are also recognised by adjusting the right-of-use asset and the lease liability, but using the interest rate originally applied.

We provide the following breakdown of the lease assets:

In EUR million	31.12.2024	31.12.2023
Right-of-use assets, site leases	114.4	151.9
Right of use assets, shops/stores[1]	63.7	83.7
Right-of-use assets, co-location leases	35.6	44.2
Right-of-use assets, network infrastructure	8.1	11.4
Right-of-use assets, motor vehicles	1.1	1.5
Right-of-use assets, other	0.6	0.9
Total	**223.5**	**293.6**

[1] As of 31 December 2024, this includes operating leases from the subleasing of shop space to franchise partners in the amount of EUR 25.2 million (31 December 2023: EUR 32.1 million)

A reconciliation of the right-of-use assets from 31 December 2023 to 31 December 2024 is only possible taking into account the disposals of lease assets due to a reduction in the scope of the lease in terms of time and quantity.

Additions to lease assets are reported at EUR 25.5 million in the 2024 financial year (31 December 2023: EUR 33.7 million). Amortisation of right-of-use assets in the reporting year is broken down as follows:

EUR million	2024	2023
Site leases	29.2	31.5
Shops / stores	14.9	20.0
Co-location leases	10.7	10.5
Network infrastructure	6.4	3.2
Motor vehicles	0.9	0.9
Other	0.3	1.7
Total	**62.4**	**67.8**

Other operating expenses include expenses for short-term leases (31 December 2024: EUR 0.3 million, 31 December 2023 restated: EUR 0.7 million) and expenses for leases for low-value assets (31 December 2024: EUR 0.1 million, 31 December 2023 restated: EUR 0.1 million). The variable lease payments also included in other operating expenses, which are not recognised in lease liabilities, are of minor importance.

Interest expenses from lease liabilities amounted to EUR 9.9 million in the reporting year (31 December 2023 restated: EUR 10.1 million). We provide the following breakdown of the maturities of the lease liabilities as of 31 December 2024 and 31 December 2023:

In EUR million	31.12.2024	31.12.2023
1 year or less	77.5	78.3
More than 1 year up to and including 5 years	175.7	231.6
More than 5 years	25.3	37.3
Total	**278.5**	**347.2**

Total cash outflows from leases in the 2024 financial year amounted to EUR 93.9 million (31 December 2023: EUR 94.7 million).

In the event of the exercise of extension options that are not currently recognised (as it is not considered probable that they will be exercised), there would be cash outflows of EUR 434.6 million (prior year: EUR 431.9 million) in addition to the lease liabilities currently recognised. This mainly relates to the extension of the framework sublease agreement with Deutsche Funkturm GmbH in connection with the lease of rental space for the Media Broadcast Group’s infrastructure.

2.5.2 freenet as lessor

As lessor, the freenet Group subleases sites in the TV and Media segment, shop space, motor vehicles and other assets.

If all material opportunities and risks are transferred, the lease is a finance lease. In this case, a receivable in the amount of the net investment (31 December 2024: EUR 26.1 million, 31 December 2023: EUR 37.4 million) in the lease is recognised in other financial assets. The receivables contained therein mainly relate to the subletting of sites in the TV and Media segment. Overall, the reduction in receivables by EUR 11.3 million (prior year: EUR 7.4 million) is mainly due to repayments totalling EUR 15.2 million (prior year: EUR 13.6 million). The corresponding interest income is recognised in the financial result and amounted to EUR 1.0 million in the 2024 financial year (prior year: EUR 1.3 million). Income from variable lease payments that are not recognised in the assessment of the net investment is immaterial.

Future (undiscounted) cash inflows from finance leases are due as follows on 31 December 2024 and 31 December 2023:

In EUR million	31.12.2024
2025	16.7
2026	9.2
2027	0.7
2028 et. seq.	0.0
Future (undiscounted) cash inflows	**26.6**
Unearned interest income	– 0.5
Receivables from finance leases	**26.1**

In EUR million	31.12.2023
2024	19.0
2025	12.8
2026	6.8
2027 et. seq.	0.0
Future (undiscounted) cash inflows	**38.6**
Unearned interest income	– 1.2
Receivables from finance leases	**37.4**

Lease income from operating leases in which the Group is the lessor is recognised in profit or loss on a straight-line basis over the term of the lease and mainly results from the subleasing of shop space to Franchises partners. Lease income from operating leases totalling EUR 6.0 million (prior year: EUR 6.2 million) will be recognised in other operating income in the 2024 financial year.

The future (undiscounted) cash inflows from non-cancellable operating leases are due as follows:

In EUR million	31.12.2024
2025	6.0
2026	4.3
2027	2.3
2028	1.3
2029 et. seq.	1.2
Future (undiscounted) cash inflows	**15.1**

In EUR million	31.12.2023
2024	6.0
2025	4.5
2026	2.1
2027	1.1
2028	0.3
2029 et. seq.	0.2
Future (undiscounted) cash inflows	**14.2**

2.6 Interests in associates and joint ventures

Investments in associates and joint ventures are recognised on the basis of separate financial statements or consolidated financial statements in accordance with IFRS of the associate or joint venture concerned, which have been prepared in accordance with the Group's accounting policies. For information on the equity method, see Note 1.3, Consolidation principles.

2.7 Financial instruments

2.7.1 Definition and classification

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are generally divided into the following classifications for measurement purposes:

- Financial assets measured at amortised cost
- Financial assets/liabilities measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income (OCI)
- Liabilities measured at amortised cost

The classification of a financial asset is based on the characteristics of the contractual cash flows of the financial asset and the business model used by management to control the financial asset. The categorisation of financial assets and financial liabilities is determined by management on initial recognition.

2.7.2 Financial assets measured at amortised cost

The Group allocates the following three categories to this classification:

Liquid assets
Cash/liquid assets consist of cash and cash equivalents – these include cash, demand deposits and other short-term, highly liquid financial assets with a residual term of no more than three months.

Trade accounts receivable
Trade accounts receivable are amounts owed by customers for goods and services provided in the ordinary course of business. They are classified as current assets, with the exception of those that are not due until twelve months after the balance sheet date. The latter are recognised as non-current trade accounts receivable. The Group holds trade accounts receivable in order to collect the contractual cash flows and subsequently assesses them at amortised cost using the effective interest method.

Non-derivative financial assets
The Group measures its non-derivative financial assets at amortised cost if the financial asset is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category includes receivables from trustees and collateral, which are recognised within other financial assets.

2.7.3 Financial assets measured at fair value through profit or loss

The Group assigns the following two categories to this classification:

Trade accounts receivable
Trade accounts receivable held for trading purposes are recognised by the freenet Group at fair value through profit or loss. This includes trade accounts receivable from multi-component contracts (mobile phone option) that are sold to a bank.

Other equity instruments
The company assesses financial investments in equity instruments at fair value through profit or loss for which the Group has decided not to recognise changes in fair value in other comprehensive income. As of the balance sheet date, other investments are allocated to this category and recognised in other financial assets.

2.7.4 Financial assets measured at fair value through other comprehensive income

The Group allocates the following category to this classification:

Other equity instruments

Other equity instruments measured at fair value through other comprehensive income are financial assets that are not held for trading purposes and for which the freenet Group irrevocably decided to recognise them in this category upon initial recognition. This category includes investments and securities to secure long-term pension obligations, which are recognised under other financial assets.

2.7.5 Liabilities measured at amortised cost

Financial liabilities are based on contractual agreements on the payment of cash or the provision of other financial assets to a third party. Financial liabilities are recognised when freenet becomes a party to the contract. The financial liabilities existing on the balance sheet date are recognised under trade accounts payable, financial liabilities and other financial liabilities.

2.7.6 Measurement of financial instruments

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to buy or sell the asset. Financial assets, which are classified as debt instruments, are assessed at fair value on additions. Transaction costs increase or decrease the initial value if the financial asset is not assessed at fair value with changes in value recognised in profit or loss for the period.

Financial assets are divided into two classification categories – those measured at amortised cost and those measured at fair value. If other financial assets are assessed at fair value, income andexpenses can be recognised either in profit or loss for the period (at fair value through profit or loss, FVTPL) or in other comprehensive income (at fair value through other comprehensive income, FVTOCI). The classification is made upon initial recognition of the financial asset and is based on the business model for managing financial assets and the characteristics of the contractual cash flows of the financial asset

A financial asset is to be measured at amortised cost if the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset must be measured at fair value through other comprehensive income if the following conditions are met:

- the financial asset is held within a business model whose objective is both to collect contractual cash flows and to sell financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are measured through profit or loss.

Liabilities measured at amortised cost are initially measured at the fair value of the consideration received less the transaction costs associated with the borrowing. In the subsequent period, financial liabilities are measured at amortised cost using the effective interest method. Measurement of financial instruments is based on future cash flows using recognised valuation methods. There are currently no derivatives in the portfolio.

2.7.7 Impairment of financial assets

The Group applies the simplified approach to the impairment regulations in order to measure the expected credit losses. Trade accounts receivable, lease receivables and contract assets are therefore measured using the lifetime expected credit losses at initial recognition. Impairments of financial assets are based on assumptions regarding the default risk and the expected loss rates, based on the Group's historical defaults and past experience as well as forward-looking estimates at the end of the financial year.

There have been no defaults on lease receivables in the past. Expected loss rates do not take into account historical default rates, but are based on current and forward-looking information (e.g. remaining term of the lease receivables, benchmark information). However, the identified impairment loss was immaterial and was not recognised.

Carrying amounts of receivables are reduced through the use of an allowance account. The receivable is derecognised from the allowance account as soon as it is no longer realisable according to a reasonable assessment. End customer receivables in the Mobile Communications segment are derecognised at the latest when they are transferred to debt collection. Subsequent payments received on amounts previously derecognised are recognised in profit or loss against the impairments from Trade accounts receivable reported in the income statement.

The Group generally applies the general impairment model (general approach) to non-derivative assets, with the exception of Trade accounts receivable, Leases receivable and Contract assets, for which the simplified impairment model is applied in each case. The recognition of expected credit losses utilises a three-stage approach to allocate loss allowances. In principle, all instruments are categorised in stage 1 upon additions. For them, the present value of the expected payment defaults resulting from possible default events within the next twelve months after the reporting date must be recognised as an expense. Interest is recognised on the basis of the gross carrying amount, i.e. the effective interest method must be carried out on the basis of the carrying amounts before taking risk provisions into account. Level 2 includes all instruments that show a significant increase in default risk on the reporting date compared to the date of addition. The risk provision must reflect the present value of all expected losses over the remaining term of the instrument. Interest is recognised on the basis of the gross value, i.e. the effective interest method must be carried out on the basis of the carrying amounts before taking risk provisions into account. Indications of a significant increase in the default risk include

- Significant deterioration in the expected performance and behaviour of the obligor
- Significant deterioration in the credit quality of other instruments of the same obligor
- Actual or expected deterioration in the economic, financial, regulatory or technological circumstances relevant to the borrower's creditworthiness

If, in addition to a significant increase in the default risk on the reporting date, there is also objective evidence of impairment (stage 3), the risk provision is also measured on the basis of the present value of the expected losses over the remaining term. However, interest recognition must be adjusted in subsequent periods so that interest income is calculated in future on the basis of the net carrying amounts, i.e. the carrying amounts after deduction of the risk provision. Objective indications of impairments include

- Significant financial difficulties of the issuer or debtor
- A breach of contract such as a default or delay in interest and redemption payments
- An increased likelihood that the borrower will enter insolvency or other reorganisation proceedings

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9. The spread of cash and cash equivalents across various major banks and the short remaining terms significantly reduce the default risk.

2.7.8 Derecognition of financial assets

The freenet Group derecognises a financial asset if the contractual rights to cash flows from a financial asset expire or if it transfers the financial asset and essentially all risks and opportunities associated with ownership of the asset to a third party.

2.7.9 Derecognition of financial liabilities

The freenet Group only derecognises a financial liability when it has been extinguished, i.e. when the obligation specified in the contract has either been settled, cancelled or has expired. In the event of an exchange of debt instruments with substantially different contractual terms or in the event of substantial changes in the contractual terms of an existing liability, the transaction is treated as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from the repayment of the original financial liability is recognised in profit or loss.

2.7.10 Netting of financial instruments

Financial assets and liabilities are only offset and recognised as a net amount in the balance sheet if there is a legal right to do so and the intention is to settle on a net basis or to settle the associated liability at the same time as the asset is used.

2.8 Inventories

Inventories are assessed at the lower of the cost of purchased/manufactured goods and the net realisable value on the balance sheet date. The net realisable value is the estimated realisable sales proceeds less costs yet to be incurred.

2.9 Foreign currency transactions

The items contained in the financial statements of each group company are assessed on the basis of the currency that corresponds to the currency of the primary economic environment in which the company operates (functional currency). The consolidated financial statements are prepared in euros, which is the reporting currency of freenet AG.

Foreign currency transactions are converted into the functional currency at the exchange rates on the transaction date. Gains and losses resulting from the settlement of such transactions and from the conversion at the closing rate of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign currency transactions of minor significance took place in the 2024 financial year.

The results and balance sheet items of all Group companies that have a functional currency other than the euro are translated into euros using the modified closing rate method. The resulting currency conversion differences are recognised in other comprehensive income until the subsidiary is disposed of and reported cumulatively in equity.

2.10 Equity

Ordinary shares, capital reserves, reserves for changes in value, treasury shares, the consolidated balance sheet result and minority interests are recognised as equity. The costs of capital increases are recognised in equity in the capital reserve after deduction of the current taxes due on them.

The Executive Board is authorised by the Annual General Meeting to acquire treasury shares, subject to the approval of the Supervisory Board (Section 71 (1) No. 8 AktG). Thresholds are defined for a buyback programme, such as number, total amount and duration. Purchased treasury shares are assessed at acquisition cost plus fees for each individual transaction.

2.11 Pension provisions

Pension provisionsare recognised and assessed in accordance with IAS 19. The net obligation recognised in the balance sheet, reported under pension provisions and non-current other receivables and other assets, corresponds to the actuarial present value of the defined benefit obligation on the balance sheet date less the fair value of plan assets plus the Influence from the asset ceiling. The present value of the defined benefit obligation is calculated annually by an independent actuarial expert using the projected unit credit method. This projected unit credit method takes into account not only the pensions and acquired entitlements known on the reporting date, but also expected future increases in pensions and salaries.

Actuarial losses/gains based on experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. In the case of overfunding of plans, the remeasurement component also includes the difference between the interest on the impact of the asset ceiling and the total change in net assets from the impact of the asset ceiling.

Differences between the calculated and actual return on plan assets are recognised in other comprehensive income in the period in which they arise.

Pension commitments are subject to the provisions of the German Company Pensions Act. Insofar as the pension plans provide for pension benefits, there is a biometric risk of longevity. Further risks arise in relation to pension adjustment obligations from the development of inflation and, in the case of salary-related commitments, from the development of salaries.

Past service costs are recognised immediately in profit or loss. The service cost is recognised in personnel expenses, while the interest portion of the addition to provisions is recognised in the financial result.

Contributions to defined contribution plans are recognised in profit or loss in the year in which they are incurred.

2.12 Provisions

Provisions are recognised for current legal or constructive obligations to third parties that originated in the past and are uncertain in terms of their likelihood and/or amount if it is more likely than not that the fulfilment of the obligation will lead to an outflow of resources and a reliable estimate of the amount of the obligation can be made. The assessment is based on the best possible estimate of the current obligation as of the balance sheet date, taking into account discounting for long-term obligations.

If a number of similar obligations exist, the likelihood of a charge on assets is determined on the basis of the group of these obligations. Provisions are also recognised as liabilities if the likelihood of a charge on assets in relation to individual obligations included in this group is low.

In accordance with IAS 16, the costs expected for Asset retirement obligations for transmission systems and Leasehold improvements are included in the cost of these installations. Provisions are therefore recognised for these obligations in the amount of the present value at the time they arise in accordance with IAS 37 if an outflow of resources is probable. Changes in the measurement of the existing provision, i.e. changes in the settlement amount and/or the discount rate, are recognised by adjusting the carrying amounts of the transmission systems and Leasehold improvements (upper limit: recoverable amount; lower limit: zero).

Restructuring provisions mainly comprise severance payments to employees. Provisions for contingent losses primarily relate to tariffs with a negative margin and vacancy costs.

Provisions for obligations from long-term work accounts are assessed on the basis of certain accounting assumptions. Long-term work accounts are set up for longer-term time off in lieu. The reduction takes the form of a leave of absence with continued payment of the current monthly salary. The obligations were netted against the fair value of the corresponding plan assets. If the fair value of the plan assets exceeds the obligations, the excess assets are recognised under other receivables and other assets.

2.13 Employee incentive programmes

The Group had three main long-term incentive programmes (LTIP programmes) as employee incentive programmes in the 2024 financial year.

In the LTIP programmes, an LTIP account is maintained for each beneficiary, to which a credit or debit is made in the form of virtual shares each financial year, depending on the degree of achievement of certain targets defined for that financial year. Depending on the balance of the LTIP account, payouts (exclusively in the form of cash payments) less taxes and duties are then possible within a fixed period of time per financial year. The amount of these payouts depends, among other things, on the relevant share price at the time of payout. Provisions are assessed at the fair value of the virtual shares that are expected to vest. The corresponding expense is recognised in personnel expenses. For details, please refer to our explanations under Note 25. freenet Group also has two other employee incentive programmes (hereinafter referred to as “Other employee incentive programmes”).

2.14 Deferred and current income taxes

Deferred taxes are recognised in accordance with the liability method on all temporary differences between the tax base and the carrying amounts of assets and liabilities as well as on tax loss carryforwards. Deferred taxes are assessed using the tax rates and tax regulations that apply on the balance sheet date or have essentially been adopted by law and are expected to apply at the time of realisation of the deferred tax asset or settlement of the deferred tax liability.

Deferred tax assets on deductible temporary differences are recognised in the amount for which deferred tax liabilities exist. If the amount of deferred tax assets on deductible temporary differences exceeds this value, they are only recognised to the extent that the utilisation of these deferred tax assets through future profits is likely. Deferred tax assets on existing tax loss carryforwards are also only recognised to the extent that it is probable that they will be utilised through future profits. The expected future profits are based on the corporate planning of earnings before taxes valid on the balance sheet date.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associated companies are recognised unless the timing of the reversal of the temporary differences can be determined by the Group and it is likelihood that the temporary differences will not be reversed in the foreseeable future due to this influence.

The current tax expense is calculated using the German tax regulations that apply or will soon apply on the balance sheet date. Management regularly reviews tax returns, particularly in relation to matters subject to interpretation, and, where appropriate, recognises provisions based on the amounts expected to be payable to the tax authorities.

2.15 Judgements, forward-looking assumptions and estimation uncertainties

The presentation of the net assets, financial position and results of operations in the consolidated financial statements is dependent on Judgements, recognition and measurement methods as well as forward-looking assumptions and estimates. The actual amounts may differ from the estimates. The following judgements, significant estimates and related assumptions, as well as the uncertainties associated with the accounting policies selected, are critical to understanding the underlying financial reporting risks and the impacts that these estimates, assumptions and uncertainties could have on the consolidated financial statements.

Judgements

When determining the measurement-relevant term of a lease in the shops/stores category, a sufficiently certain exercise of all extension options (based on operational considerations) was always assumed. Based on forward-looking assumptions, there may also be a lump-sum extension of the leases from a certain term. As of the previous year’s reporting date of 2023, there was a change in the assessment of the extension options originally recognised for the Gravis stores, as the exercise of the option was no longer considered sufficiently certain due to operational considerations. As a result, the lease assets were restated by the amount resulting from the revaluation of the lease liabilities.

For the purpose of assessing the subleases in the TV and Media segment relating exclusively to VHF, the end of the lease term is determined separately for each site (investor sites until 31 July 2026, sites of Bayerische Medien Technik GmbH, Munich, until 30 June 2026, sites of Other third parties until 31 December 2026).

In the case of multi-component contracts, we draw attention to the following material Judgements, forward-looking assumptions and estimation uncertainties that have a material impact on the consolidated financial statements due to the underlying business model in the Mobile Communications segment and its significance for the Group's net assets, financial position and results of operations:

To measure the contractual performance obligations, the individual customer contracts are identified and summarised into portfolios based on certain criteria. Aggregated contracts with homogeneous characteristics each form a portfolio. The selection of these criteria (the assessment of whether homogeneity exists and the decision on the number of portfolios) is a matter of judgement.

Within the customer contracts (or after their aggregation within the portfolios), the relative stand-alone selling prices of the performance obligations are determined in a first step. This involves making estimates based on past transactions (such as hardware sales and the provision of mobile services over 24 months). In a further step, the net contract position is calculated taking other contract components into account: If the relative stand-alone selling price of a contract component exceeds the amount of the transaction price, the transaction prices are reallocated. The resulting net contract position of a contract (or, after aggregation, of a portfolio) is reversed proportionately over the underlying contract term depending on the respective performance dates or performance periods. The assessment of the respective net contract position is subject to certain assumptions. Future uncertain contractual events that are not within the freenet Group's sphere of influence are anticipated according to their weighted probability of occurrence. Such contractual events include, for example, premature termination of contracts, cancellations, bad debts, contract modifications and the redemption of contractual rights (material rights) such as vouchers.

Judgements, estimates and forward-looking assumptions in the context of accounting for multiple-element arrangements also arise in the following respects:

- forward-looking assumptions in determining the expected future customer contract term for the amortisation period of contract acquistion costs and the period-related bonuses and commissions of network operators
- Judgements and forward-looking assumptions in determining whether certain cost items are incremental contract acquisition costs that are expected to be recovered in the future
- Judgements regarding the assessment of commissions and bonuses received from network operators, namely
  - which parts thereof are to be recognised as separable own services in revenues immediately upon performance of the service
  - which parts thereof represent a reduction in the cost of materials over the promotional period agreed with the network operator due to their discount character
  - which parts thereof have the character of a discount granted over the underlying customer contract term and therefore reduce the cost of materials pro rata temporis
- Judgements and estimates in deriving the consideration for agency services in indirect sales in order to arrive at the "Consideration Paid"/"Consideration Payable" approach

Materiality of estimation uncertainties
With regard to the estimates used in the assumptions for the recognition and assessment of multi-component contracts, reference is made to the above comments on Judgements.

The calculation of the incremental borrowing rate for discounting the lease liabilities (see Note 28) is ensured on a quarterly basis by the Group Treasury department. The incremental borrowing rate represents the Group-specific interest rate for borrowing funds with a similar term in order to finance the corresponding asset.

Please refer to Note 16 for reference to the forward-looking assumptions made as part of the tests for possible impairments of goodwill (carrying amounts as of 31 December 2024: EUR 1,384.8 million, prior year: EUR 1,379.8 million).

Impairments of financial assets are based on assumptions regarding default risk and expected loss rates. The Group exercises judgement in making these assumptions and selecting the input factors for calculating the impairment, based on the Group's past experience and forward-looking estimates at the end of the financial year. Reference is made to Note 21.

With regard to the accrual for services received from sales commissions for the Group's various products, estimates based on past experience are used to determine the likelihood that the final and non-cancellable commission will be received. Reference is made to Note 7.

The recognition and calculation of provisions and accruals (e.g. for dealer commissions) are dependent on estimates. Provisions are recognised by the specialist departments (e.g. Real Estate Management) in the amount of the present value at the time they arise for obligations in connection with the dismantling of broadcasting facilities and Leasehold improvements, insofar as an outflow of assets is probable. The material assumptions here relate to the amount of the expected dismantling costs and their timing. Reference is made to Note 30.

Please refer to Note 25 for information on the assumptions and estimates used in the valuation model to determine the provision for the LTIP programme as of 31 December 2024.

Note 29 describes the forward-looking assumptions made with regard to the assessment of pension provisions and similar obligations. This relates to the recognition of an actuarial interest rate, the pension trend, the estimation of the future development of the pensionable income of the beneficiaries and the estimation of life expectancy. The result of a sensitivity analysis is that if the actuarial interest rate were to increase by 1.0 percentage points, the Present value of funded and unfunded obligations would be EUR 10.4 million lower; if the actuarial interest rate were to decrease by 1.0 percentage points, the Present value of funded and unfunded obligations would be EUR 12.9 million higher. For further sensitivity analyses relating to pension obligations, please refer to Note 29.

There are business transactions for which the final taxation cannot be conclusively determined during the ordinary course of business. The Group measures the amount of provisions for expected tax audits on the basis of estimates as to whether and to what extent additional income taxes will be due. If the final taxation of these transactions differs from that initially assumed, this will have impacts on current and current income taxes in the period in which the taxation is finalised. Reference is made to Notes 13, 18 and 30.

Deferred tax assets on loss carryforwards are based on corporate planning for the next four financial years, which incorporates forward-looking assumptions, e.g. regarding macroeconomic developments and the development of the telecommunications market. Please refer to Note 18 for the amount of deferred tax assets recognised on loss carryforwards and the amount of loss carryforwards for which no deferred tax assets were recognised.

2.16 Discontinuing operations

Assets and liabilities of a business unit that are sold or discontinued are classified as discontinuing operations in accordance with IFRS 5 if the business activities of this unit can be clearly distinguished from the Group's other business activities and it is a material business activity of the Group. Classification as discontinuing operations takes place at the time at which the sale or discontinuation of this material business activity is considered highly likely.

In accordance with IFRS 5, assets are recognised at the lower of carrying amount and fair value less costs to sell if it is highly probable that their carrying amounts will be realised through a sale. At the time of reclassification to discontinuing operations and non-current assets held for sale, amortisation of the corresponding assets is discontinued.

In the case of discontinuing operations, an amount is recognised separately in the income statement, consisting of the after-tax result from the ongoing activities of the discontinuing operation and the after-tax result from changes in fair value less costs to sell and disposals.

In accordance with IFRS 5.34, the prior year's figures in the income statement and cash flow statement have been restated.

2.17 Comparison figures

The comparability of these consolidated financial statements with the consolidated financial statements as of 31 December 2023 is limited by the following retrospective adjustments to the previous year's figures.

The business operations of Gravis were discontinued as of 30 June 2024. The activities of Gravis and certain business transactions directly related to the closure of Gravis in other Group companies of the freenet Group represent the discontinuing operations of Gravis within the meaning of IFRS 5.13 and IFRS 5.32. In accordance with IFRS 5.33 f., the previous year's figures in the income statement were restated accordingly by reclassifying all expenses and income of the discontinuing operations from the original items of the income statement to a line "Consolidated profit from discontinuing operations". EBITDA for 2023 is reported EUR 639 thousand higher than the EBITDA reported in the consolidated financial statements as of 31 December 2023. Please refer to Note 36 of these Notes to the consolidated financial statements.

Provisions for other taxes in the amount of EUR 25,517 thousand were reported under current income tax liabilities in the consolidated financial statements as of 31 December 2023. As these provisions do not fall under IAS 12 due to their nature as other taxes, the consolidated balance sheet as of 31 December 2023 was restated retrospectively in accordance with IAS 8.41 et seq. in these consolidated financial statements. Accordingly, the current income tax liabilities were reduced by this amount, while the non-current Other provisions were increased by EUR 25,517 thousand. The correction had no impacts on equity, the income statement, the statement of comprehensive income, earnings per share or the cash flow statement.

Furthermore, the following immaterial adjustments were made retrospectively:

- Among other things, the Group generates revenues from the broadcasting of TV advertising and pays the TV broadcasters a fee for the advertising inventory aired. The Group now recognises these fees in the cost of materials rather than in other operating expenses, as was previously the case. In the consolidated income statement for the 2023 financial year, the cost of materials was therefore increased by EUR 8,478 thousand and other operating expenses were reduced by EUR 8,478 thousand in these financial statements – without affecting EBITDA.
- A change in the measurement model in accordance with IFRS 2 for LTIP programmes 3 and 4 (please also refer to Notes 25.1 and 25.2 of these Notes to the consolidated financial statements) led to a retrospective reduction in equity (consolidated balance sheet result) as of 1 January 2023 of EUR 4,001 thousand and an increase in Other provisions of EUR 4,001 thousand (of which EUR 2,016 thousand in current and EUR 1,985 thousand in non-current). For the 2023 financial year, this adjustment in the measurement model led to a reduction in personnel expenses of EUR 672 thousand in this consolidated income statement and thus to an increase in EBITDA of EUR 672 thousand, as well as to an increase in other provisions in this consolidated balance sheet as of 31 December 2023. Other provisions increased by a total of EUR 3,329 thousand (thereof EUR 2,016 thousand in current provisions and EUR 1,313 thousand in non-current provisions) and equity (consolidated balance sheet result) decreased compared to the amounts reported in the consolidated financial statements as of 31 December 2023.
- Another change relates to the sales discounts granted to end customers in the Mobile Communications segment in connection with a number portability ordered by the customer. As previously, these are not recognised as a reduction in revenues immediately upon granting, but pro rata over the term of the customer contract of 24 months. This led to a retrospective increase in equity (consolidated balance sheet result) as of 1 January 2023 of EUR 7,108 thousand and an increase in other receivables and other assets of EUR 7,108 thousand (thereof EUR 197 thousand in current and EUR 6,911 thousand in non-current). Compared to the consolidated financial statements as of 31 December 2023, the comparative figures for the 2023 financial year in these financial statements show an increase in revenues of EUR 2,329 thousand and an increase in other operating expenses for the restated loss allowances on receivables of EUR 28 thousand. EBITDA for the 2023 financial year has therefore increased by EUR 2,301 thousand. In the consolidated balance sheet as of 31 December 2023 included in these financial statements, this change resulted in an overall increase in other receivables and other assets of EUR 9,409 thousand (thereof EUR 2,498 thousand in current assets and EUR 6,911 thousand in non-current assets) and a corresponding increase in consolidated equity.

3 Segment reporting

In accordance with IFRS 8, operating segments are to be defined on the basis of the internal management of Group divisions whose operating results are regularly reviewed by the chief operating decision maker with regard to decisions on the allocation of resources to this segment and the assessment of its profitability.

The Executive Board organises and manages the company as the chief operating decision maker on the basis of the differences between the individual products and services offered. As the Group conducts its business activities almost exclusively in Germany, it is not organised and managed according to geographical areas. The Group operated in the following business segments in the 2024 financial year:

- Mobile Communications:
  - Activities as a mobile communications Service Provider – Marketing of mobile communications services (voice and data services) of the Mobile network operators Deutsche Telekom, Vodafone and Telefónica Deutschland in Germany
  - offering its own network-independent services and tariffs as well as offering the network operators' tariffs on the basis of the network operator contracts concluded with these network operators
  - Distribution/sale of mobile devices and additional services in the areas of mobile data communication and digital lifestylee
  - "freenet Internet": Offering its own app-based internet product
  - Provision of distribution services
  - Planning, setup, installation and maintenance of WiFi networks
- TV and Media:
  - Provision of DVB-T2 services to end customers
  - Planning, project development, construction, operation, service and marketing of broadcasting-related solutions for business customers in the broadcasting and media industry
  - Provision of services, primarily to end customers, in the area of IPTV
- Other/holding:
  - Provision of portal services such as e-commerce/advertising services (these essentially include online shopping and the marketing of advertising space on websites), payment services for end customers and the provision of various digital products and entertainment formats for download or for display and use on mobile devices
  - Development of communication solutions, IT services and other services for business customers
  - Offering narrowband voice services (call-by-call, pre-selection) and data services
  - Provision of distribution services

The two segments "mobile communications" and "TV and media" represent the Group's reportable segments as defined by IFRS 8. The "Other/holding" segment is an operating segment.

In addition to the operating activities, the "Other/holding" segment also includes Other business activities. These mainly include the holding activities of freenet AG (with the provision of intra-group services in centralised areas such as legal, human resources and finance), but also areas that cannot be clearly allocated to the operating segments. The segment revenues of EUR 65.4 million reported for the Other/holding segment for 2024 (prior year: EUR 41.8 million) relates almost exclusively to operating activities. The gross profit of EUR 46.2 million reported for the Other/holding segment in 2024 (prior year: EUR 24.3 million) is almost exclusively attributable to operating activities. The EBITDA of EUR 8.7 million (prior year restated: EUR –26.6 million) reported for the Other/holding segment in 2024 was generated almost exclusively from operating activities.

The segments also provide or have provided services to the respective other operating segment. If comparable external market prices exist for internally provided services, these market prices are used as the internal transfer price. The transfer prices for non-marketable services are generally based on the costs incurred (plus overheads surcharge).

Expenses and income are allocated to the segments on the basis of selected criteria in accordance with their economic affiliation. As in the prior year, the recognition and assessment of the allocated expenses and income for segment reporting purposes do not deviate from the recognition and assessment in the consolidated balance sheet and consolidated income statement.

A breakdown of third-party revenues by individual products or services is shown in Note 4. A further breakdown by individual products or services is not available.

The freenet Group conducts mass business, which is primarily focussed on private customers. In this respect, there is no dependency on individual customers.

Segment report for the period from 1 January to 31 December 2024

	Reportable segments			Transition		Group
In EUR thousand	Mobile Communications	TV and Media	Total	Other / Holding	Elimination of intersegment revenues and expenses	
Third-party revenues	**2,043,024**	**387,140**	**2,430,164**	**47,524**	**0**	**2,477,688**
Intersegment revenues	14,150	12,745	26,895	17,875	– 44,770	0
Total revenues	2,057,174	399,885	2,457,059	65,399	– 44,770	2,477,688
Cost of materials to third parties	**– 1,318,535**	**– 166,655**	**– 1,485,190**	**– 18,644**	**0**	**– 1,503,834**
Intersegment cost of materials	– 35,267	– 1,646	– 36,913	– 590	37,503	0
Total cost of materials	– 1,353,802	– 168,301	– 1,522,103	– 19,234	37,503	– 1,503,834
Segment gross profit	**703,372**	**231,584**	**934,956**	**46,165**	**– 7,267**	**973,854**
Other operating income	46,937	793	47,730	3,863	– 5,448	46,145
Other own work capitalized	16,742	6,191	22,933	1,642	0	24,575
Personnel expenses	– 119,983	– 71,828	– 191,811	– 43,686	0	– 235,497
Other operating expenses	– 219,781	– 63,873	– 283,654	– 16,644	12,715	– 287,583
thereof loss allowances on financial assets and contractual assets	– 18,460	3,769	– 14,691	– 116	0	– 14,807
thereof without loss allowances on financial assets and contractual assets	– 201,321	– 67,642	– 268,963	– 16,528	12,715	– 272,776
Total other expenses/income [1]	**– 276,085**	**– 128,717**	**– 404,802**	**– 54,825**	**7,267**	**– 452,360**
thereof intersegment allocation	– 6,599	– 2,659	– 9,258	1,991	7,267	
Segment EBITDA	**427,287**	**102,867**	**530,154**	**– 8,660**	**0**	**521,494**
Depreciation, amortisation and impairment						– 145,962
EBIT						**375,532**
Financial result						– 30,324
EBT						**345,208**
Income taxes						– 48,774
Consolidated profit from continuing operations						**296,434**
Consolidated profit from discontinuing operations attributable to the shareholders of freenet AG						**– 50,813**
Consolidated profit						**245,621**
Consolidated profit attributable to shareholders of freenet AG						246,829
Consolidated profit attributable to non-controlling interests						– 1,208
Net cash investments	**22,247**	**13,590**	**35,837**	**2,864**		**38,701**
thereof from continuing operations	21,893	13,590	35,483	2,864		38,347
thereof from discontinuing operations	354	0	354	0		354

[1] Other expenses/income as the difference between gross profit and EBITDA include the items other operating income, other own work capitalised, personnel expenses and other operating expenses

Segment report for the period from 1 January to 31 December 2023 (restated)

	Reportable segments			Transition		Group
In EUR thousand	Mobile Communications	TV and Media	Total	Other / Holding	Elimination of intersegment revenues and expenses	
Third-party revenues	**2,026,722**	**333,636**	**2,360,358**	**24,940**	**0**	**2,385,298**
Intersegment revenues	13,950	11,776	25,726	16,828	– 42,554	0
Total revenues	2,040,672	345,412	2,386,084	41,768	– 42,554	2,385,298
Cost of materials to third parties	**– 1,331,293**	**– 122,438**	**– 1,453,731**	**– 16,808**	**0**	**– 1,470,539**
Intersegment cost of materials	– 26,852	– 7,974	– 34,826	– 653	35,479	0
Total cost of materials	– 1,358,145	– 130,412	– 1,488,557	– 17,461	35,479	– 1,470,539
Segment gross profit	**682,527**	**215,000**	**897,527**	**24,307**	**– 7,075**	**914,759**
Other operating income	44,058	684	44,742	4,015	– 4,686	44,071
Other own work capitalized	16,399	6,343	22,742	1,708	0	24,450
Personnel expenses	– 115,990	– 61,033	– 177,023	– 41,501	0	– 218,524
Other operating expenses	– 206,664	– 50,842	– 257,506	– 15,160	11,761	– 260,905
thereof loss allowances on financial assets and contractual assets	– 12,303	– 811	– 13,114	359	0	– 12,755
thereof without loss allowances on financial assets and contractual assets	– 194,361	– 50,031	– 244,392	– 15,519	11,761	– 248,150
Total other expenses/income [1]	**– 262,197**	**– 104,848**	**– 367,045**	**– 50,938**	**7,075**	**– 410,908**
thereof intersegment allocation	– 7,938	– 1,152	– 9,090	2,015	7,075	
Segment EBITDA	**420,330**	**110,152**	**530,482**	**– 26,631**	**0**	**503,851**
Depreciation, amortisation and impairment						– 247,578
EBIT						**256,273**
Financial result						– 25,207
EBT						**231,066**
Income taxes						– 63,448
Consolidated profit from continuing operations						**167,618**
Consolidated profit from discontinuing operations attributable to the shareholders of freenet AG						**– 8,342**
Consolidated profit						**159,276**
Consolidated profit attributable to shareholders of freenet AG						157,551
Consolidated profit attributable to non-controlling interests						1,725
Net cash investments	**26,334**	**23,072**	**49,406**	**3,299**		**52,705**
thereof from continuing operations	22,164	23,072	45,236	3,299		48,535
thereof from discontinuing operations	4,170	0	4,170	0		4,170

[1] Other expenses/income as the difference between gross profit and EBITDA include the items other operating income, other own work capitalised, personnel expenses and other operating expenses

4 Revenues

A breakdown of revenues totalling EUR 2,478 million (prior year restated: EUR 2,385 million) by segment can be found in Note 3, Segment reporting.

Of the Mobile Communications segment's external revenues of EUR 2,043 million in the 2024 financial year (prior year restated: EUR 2,027 million), EUR 1,718 million (prior year restated: EUR 1,707 million) is attributable to service revenues (of which EUR 1,592 million (prior year: EUR 1.586 million) to postpaid and EUR 126 million (prior year: EUR 121 million) to no-frills and prepaid), EUR 219 million (prior year restated: EUR 223 million) to hardware revenues and EUR 106 million (prior year restated: EUR 97 million) to other revenues.

Of the TV and Media segment's external revenues of EUR 387 million in the 2024 financial year (prior year: EUR 334 million), EUR 214 million (prior year: EUR 223 million) is attributable to the Media Broadcast Group and EUR 173 million (prior year: EUR 111 million) to Exaring.

We make the following disclosures pursuant to IFRS 15.116 b and IFRS 15.116 c:

In the 2024 financial year, revenues of EUR 39,305 thousand (prior year: EUR 39,775 thousand) were recognised, which were included in the balance of contract liabilities to customers from contracts with customers on 1 January 2024. In the 2024 financial year, revenues of EUR 9 thousand (prior year: EUR 30 thousand) were recognised from performance obligations that were fulfilled or partially fulfilled in previous periods.

The total amount of the transaction price allocated to the unfulfilled or partially unfulfilled performance obligations at the end of the reporting period (IFRS 15.120) is EUR 1,376.3 million (prior year: EUR 1,324.4 million). EUR 964.7 million of the outstanding benefit obligations relate to 2025, EUR 384.9 million to 2026, EUR 26.2 million to 2027 and EUR 0.5 million to 2028. Disclosures pursuant to IFRS 15.121 were not utilised for this disclosure.

Disclosures pursuant to IFRS 15.116(a) can be found under Note 26, Trade accounts payable, other liabilities and accruals and other financial liabilities, see sub-item "Deferred income from bonuses and commissions received from network operators". The sub-item "Deferred income from bonuses and commissions received from network operators" corresponds to contract liabilities within the meaning of IFRS 15.105.

5 Other operating income

Other operating income largely comprises income from reminder and chargeback fees, income from the recharging of expenses, advertising cost subsidies (unless dependent on the capitalisation of new customers) and income from subleases (operating leases).

Please refer to our comments on Note 2.5, Leases.

6 Other own work capitalized

Other own work capitalised mainly relates to the development of software in the mobile communications sector, which is almost exclusively due to strategic projects and own installation services in connection with the development of broadcasting infrastructure.

The capitalised costs comprise the directly attributable individual costs, which mainly relate to consultancy and personnel costs, as well as the directly attributable overheads.

7 Cost of materials

The cost of materials breaks down as follows:

In EUR thousand	2024	2023 restated
Costs of purchased goods	283,666	281,482
Costs of purchased services	1,220,168	1,189,057
Total	**1,503,834**	**1,470,539**

Costs of purchased goods consist mainly of the cost of mobile phones, computers/EDP products and bundles from the prepaid business.

Costs of purchased services mainly relate to fees for mobile telephony and mobile data as well as commissions and premiums paid to sales partners.

We make the following disclosures pursuant to IFRS 15.127 and 15.128: In the 2024 financial year, contract acquisition costs of EUR 307,638 thousand (prior year: EUR 292,375 thousand) were amortised. Under IFRS 15, the amortisation of contract acquisition costs is recognised on a straight-line basis over the term of the underlying contract, predominantly over a term of 24 months. As in the prior year, the contract acquistion costs amortised in 2024 relate almost exclusively to sales partner commissions.

8 Personnel expenses

Personnel expenses break down as follows:

In EUR thousand	2024	2023 restated
Wages and salaries	199,286	184,362
Social security contributions and pension expenses	36,211	34,162
Total	**235,497**	**218,524**

The Group had an average of 3,419 employees in the 2024 financial year (prior year: 3,686), of which 266 were attributable to discontinuing operations (prior year: 522). At the end of the financial year, the Group had 3,196 employees (prior year: 3,690 employees), of which 29 were attributable to discontinuing operations (prior year: 516). As at 31 December 2024, this included 37 (prior year: 31) senior employees and 214 (prior year: 278) Vocational trainees and students at universities of cooperative education.

The Group's Employee incentive programmes resulted in personnel expenses in accordance with IFRS 2 of EUR 12,118 thousand (prior year restated: EUR 12,108 thousand).

For an explanation of the Employee incentive programmes, please refer to our comments in Notes 2.13 and 25 Employee incentive programmes

Personnel expenses also include expenses for defined benefit pension plans totalling EUR 784 thousand (prior year: EUR 705 thousand), see also Note 29.

Personnel expenses include employer contributions to social security totalling EUR 15,634 thousand (prior year restated: EUR 14,742 thousand) as expenses for defined contribution pension plans.

9 Depreciation, amortisation and impairment

The composition of depreciation and amortisation is shown in the following table:

In EUR thousand	2024	2023 restated
Amortisation and impairment of lease assets	62,388	62,622
Amortisation of intangible assets	50,546	149,380
Depreciation of property, plant and equipment	32,044	31,746
Impairments on goodwill	232	2,636
Impairment of property, plant and equipment	330	771
Impairment of intangible assets	422	423
Total	**145,962**	**247,578**

For information on depreciation, amortisation and impairment of lease assets, please refer to our comments in Note 2.5.

As part of the realignment of the brand strategy, the Executive Board of freenet AG decided in January 2022 to gradually replace the “mobilcom-debitel” brand, which has been used since 2009, with the “freenet” brand. As a result of the Management Board’s decision, the Carrying amounts of the “mobilcom-debitel” brand were amortised on a straight-line basis over an expected remaining useful life (18 months) until 30 June 2023. This resulted in amortisation of EUR 98.5 million in 2023.

Impairments on goodwill relate to the cash-generating unit “Narrowband”. The goodwill attributable to the discontinued narrowband business model was impaired by EUR 232 thousand to EUR 0 thousand based on an impairment test. In the prior year, the “Narrowband” cash-generating unit was also impaired in the amount of EUR 2,636 thousand.

As in the prior year, the impairments of intangible assets relate to licences that are no longer used.

As in the prior year, the impairments of property, plant and equipment mainly relate to radio infrastructure of the Media Broadcast Group that is no longer used.

10 Other operating expenses

The other operating expenses mainly comprise marketing costs (EUR 114.6 million in 2024 compared to EUR 114.0 million in 2023), legal/consulting costs, administrative costs (e.g. ancillary costs for shops and administrative buildings), expenses for loss allowances and bad debts, expenses for billing, outsourcing and postage.

Other operating expenses in the 2024 financial year include expenses from loss allowances on other financial assets and contract assets totalling EUR 14.8 million (prior year: EUR 12.8 million). Of this, EUR 15.5 million (prior year: EUR 17.8 million) is attributable to impairment losses recognised in accordance with IFRS 9 for contracts capitalised in the current financial year, which, as in the previous year, relate exclusively to Trade accounts receivable, other receivables and other assets as well as other financial assets, and EUR –0.7 million (prior year: EUR –5.0 million) to the corrections of impairment losses recognised in accordance with IFRS 9 for contracts capitalised in prior years – these also relate entirely to Trade accounts receivable, other receivables and other assets as well as other financial assets.

11 Interest and similar income

Interest and similar income consists of the following items:

In EUR thousand	2024	2023 restated
Interest from banks, debt collection and similar income	3,796	2,572
Interest income from present value adjustments	1,906	1,406
Interest from lease receivables	1,026	1,299
Interest from tax refunds	31	1,083
Total	**6,759**	**6,360**

From Interest from lease receivables, please refer to our comments in Note 2.5.2, freenet as lessor.

The interest income from present value adjustments for 2024 in the amount of EUR 1,906 thousand (prior year: EUR 1,406 thousand) is mainly attributable to interest on other receivables and other assets.

12 Interest and similar expenses and other financial result

Interest and similar expenses break down as follows:

In EUR thousand	2024	2023 restated
Interest to banks and similar expenses	15,671	13,350
Interest from leases	9,917	10,079
Interest expense from pension obligations	2,259	2,532
Interest expense from tax back payments and similar expenses	1,861	1,602
Interest expense from present value adjustments	1,577	1,456
Other	1,205	494
Total	**32,490**	**29,513**

Interest expense from present value adjustments for 2024 in the amount of EUR 1,577 thousand (prior year restated: EUR 1,456 thousand) is mainly attributable to interest on Provisions.

Interest from the effective interest method (IFRS 9 measurement category: Amortised cost) is included in Interest to banks and similar expenses in the amount of EUR 229 thousand (prior year: EUR 236 thousand) and in Interest expense from present value adjustments of equity and liabilities in the amount of EUR 1,577 thousand (prior year restated: EUR 1,456 thousand).

For information on Interest from leases, please refer to our comments in Note 2.5.

The other financial result totalled EUR 0.5 million (prior year: EUR 0.5 million).

13 Income taxes

Income taxes paid or owed and deferred taxes are recognised as income taxes. Income taxes for continuing operations are broken down as follows:

In EUR thousand	2024	2023 restated
Current tax expense for the financial year	– 32,060	– 35,020
Tax income from prior years	– 468	– 2,053
Deferred tax expense due to the utilisation of deferred income tax assets	– 7,805	– 34,730
Deferred tax income relating to temporary differences (prior year: tax income)	– 8,441	8,355
Total	**– 48,774**	**– 63,448**

Deferred tax expenses resulting from the utilisation of deferred tax assets include the utilisation of deferred tax assets for loss carryforwards in the amount of EUR 59,324 thousand (prior year: EUR 52,445 thousand) and the recognition of deferred taxes for loss carryforwards in the amount of EUR 51,519 thousand (prior year: EUR 17,715 thousand). In addition, deferred tax income relating to temporary differences of EUR 4,254 thousand (prior year: EUR 81 thousand) was recognised for the discontinuing operations Gravis in 2024 – please refer to Note 36 of these Notes to the consolidated financial statements.

Further disclosures on deferred taxes are contained in Note 18, Deferred income tax assets and deferred tax liabilities. Applying the average income tax rate of the Group companies to the consolidated profit before income taxes would result in an expected tax expense of EUR 104.9 million (prior year: EUR 70.0 million). The difference between this amount and the Current tax expense from continuing operations of EUR 48.8 million (prior year: EUR 63.4 million) is shown in the following reconciliation:

In EUR thousand /as indicated	2024	2023 restated
Earnings before taxes from continuing operations (EBT)	345,208	231,066
Expected tax expense applying the tax rate of 30.40% (prior year: 30.30%)	– 104,943	– 70,013
Change in deferred tax assets on loss carryforwards and unrecognised deferred tax assets on loss carryforwards	48,517	17,514
Tax effect on non-deductible expenses due to trade tax additions	– 2,015	– 2,015
Tax effect of other non-deductible expenses	– 1,197	– 1,318
Tax effect from associated companies	– 1,551	– 788
Tax income from previous years	– 468	– 2,053
Tax income not recognised in profit or loss	0	– 9,040
Tax effect from the change in the average income tax rate	– 114	0
Other effects	12,997	4,265
Current tax expense from continuing operations	**– 48,774**	**– 63,448**
Effective tax rate in %	14.13	27.46

The significant increase in the breakdown item “Change in deferred tax assets on loss carryforwards and unrecognised deferred tax assets on loss carryforwards” is due to the fact that lower reversals of deferred tax assets on loss carryforwards were recognised in 2023, that a lower reversal of impairment losses on loss carryforwards had to be recognised in 2023 and that, in addition, 70% (instead of the prior 60%) of income may now be offset against loss carryforwards for corporate income tax purposes for the 2024 to 2027 financial years due to the Growth Opportunities Act, which came into force at the beginning of 2024, resulting in a corresponding increase in deferred tax assets on loss carryforwards. Deferred taxes for the 2024 financial year include deferred tax income totalling EUR 48.5 million (2023: EUR 17.5 million) from the recognition of previously unrecognised tax loss carryforwards.

The “Tax income not recognised in profit or loss” reported in 2023 resulted primarily from a significant reduction in the tax deferral item for mobile phone subsidies in direct sales as a result of a tax audit.

“Other effects” in both years are mainly attributable to the reclassification of Gravis’ business activities to consolidated profit from discontinuing operations, for which we refer to Note 36 of these Notes. In this respect, the earnings before income taxes from continuing operations do not include the losses of Gravis, while these led to a reduction in the actual tax burden of freenet AG (and thus the continuing operations) due to the fiscal unity of Gravis with freenet AG.

A corporation tax rate of 15.0% (prior year: 15.0%) was used to calculate current and deferred income taxes for the Group companies in the 2024 financial year. A solidarity surcharge of 5.5% (prior year: 5.5%) on corporation tax and an average trade tax multiplier of 416.12% (prior year: 414.80%) were also applied. Deferred taxes in the 2024 financial year were calculated using an average tax rate of 30.40% (prior year: 30.30%).

The Group is subject to global minimum taxation in accordance with the model regulations for Pillar 2. In Germany, the Minimum Tax Act (MinStG) was published in the Federal Law Gazette on 27 December 2023 and came into force on 1 January 2024. The rules apply to multinational companies that have generated consolidated revenues of at least EUR 750 million in at least two of the last four years. The group must pay an additional tax per country in the amount of the difference between the effective tax rate determined in accordance with the MinStG rules and the minimum rate of 15%. In 2024, no tax burden was incurred due to temporary transitional regulations.

The Group applied the temporary mandatory exemption for deferred taxes resulting from the introduction of global minimum taxation and recognises these taxes as actual tax expenses or Set off in other comprehensive income when they arise.

14 Earnings per share

14.1 Basic earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to shareholders by the weighted average number of shares outstanding during the financial year. Basic earnings per share may be reduced in future due to the possible utilisation of Conditional capital. We refer here to our comments on Note 24.7.

	2024	2023 restated
Consolidated profit attributable to shareholders of freenet AG in EUR thousand	246,829	157,551
Weighted average number of shares outstanding in units	118,900,598	118,900,598
Earnings per share in EUR (basic)	**2.08**	**1.33**

14.2 Diluted earnings per share

Diluted earnings per share are calculated by dividing the earnings attributable to shareholders by the weighted average number of shares outstanding increased by potentially dilutive shares.

As in the prior year, there are no dilutive effects or potential dilutive effects as of 31 December 2024.

	2024	2023 restated
Consolidated profit attributable to shareholders of freenet AG in EUR thousand	246,829	157,551
Weighted average number of shares outstanding in units	118,900,598	118,900,598
Weighted average number of shares outstanding plus potential dilutive shares in units	118,900,598	118,900,598
Earnings per share in EUR (diluted)	**2.08**	**1.33**

15 Intangible assets, lease assets, property, plant and equipment and goodwill

The development of intangible assets and Property, plant and equipment is presented in Note 39.

The following table shows the Carrying amounts of intangible assets from purchase price allocations:

In EUR thousand	31.12.2024	31.12.2023
Customer relationships	63,567	67,756
Trademarks	4,183	4,856
Rights-of-use assets	107	134
Software	0	346
Total	**67,857**	**73,092**

In addition to the intangible assets from the various purchase price allocations, other intangible assets amounting to EUR 91.4 million (31 December 2023: EUR 117.7 million) are reported as of 31 December 2024, including internally generated software amounting to EUR 69.8 million (31 December 2023: EUR 69.8 million) and distribution rights amounting to EUR 19.6 million (31 December 2023: EUR 45.2 million). Please also refer to our comments on Note 9, Depreciation, amortisation and impairment. The exclusive distribution right with Media-Saturn Deutschland GmbH resulted in Carrying amounts of EUR 19.2 million as of 31 December 2024 (31 December 2023: EUR 44.8 million). Carrying amounts were reduced solely by amortisation. As of 31 December 2024, there were impaired intangible assets in the amount of EUR 0.0 million (31 December 2023: EUR 0.4 million).

Lease assets amounted to EUR 223.5 million as of 31 December 2024 (31 December 2023: EUR 293.6 million). Please refer to our comments in Note 2.5.

The allocation of the goodwill recognised to CGUs is shown in the following overview:

In EUR thousand	31.12.2024	31.12.2023
Mobile Communications	1,128,061	1,122,814
TV	226,621	226,621
Online	28,807	28,807
Other	1,284	1,516
Total	**1,384,773**	**1,379,758**

Since 2016, the "TV" CGU has been allocated to the "TV and Media" segment and the "Other" CGU to the "Other/holding" segment.

Impairments were recognised to a minor extent in 2024 and 2023. Please refer to our comments in Note 9.

Property, plant and equipment amounting to EUR 111.6 million (31 December 2023: EUR 129.4 million) mainly consists of technical broadcasting infrastructure at EUR 52.3 million (31 December 2023: EUR 63.4 million).

16 Impairment testing of non-monetary assets in accordance with IAS 36

Goodwill of EUR 1,128.1 million (prior year: EUR 1,122.8 million) was allocated to the "mobile communications" CGU, which is allocated to the "Mobile Communications" segment. The "TV" CGU, which is identical to the "TV and Media" segment, reported goodwill of EUR 226.6 million as of 31 December 2024 (prior year: EUR 226.6 million). Goodwill of EUR 28.8 million (prior year: EUR 28.8 million) was allocated to the "Online" CGU. The "Online" CGU is part of the "Other/holding" segment.

The fair value less costs to sell was recognised as the recoverable amount of the mobile communications, TV and Online CGUs. The fair values were determined on the basis of a plan approved by management, which covers the period up to and including 2028. The detailed planning phases were amortised in perpetuity. These correspond to level 3 of the fair value hierarchy in accordance with IFRS 13.

The WACCs after taxes used to determine the fair values are derived from market data and are based on the respective specific risk structure of the CGUs. With regard to the capitalisation interest rates in the subsequent phase (from 2029), discounts have been assumed on the basis of growth assumptions, which also represent the growth rates used to extrapolate the free cash flow forecasts.

The planning for the mobile communications, TV and Online CGUs is based on detailed assumptions derived from experience and future expectations with regard to the Materiality earnings and value drivers.

The goodwill allocated to the CGUs, the Discount rates (WACC), the assumed growth rates and the Basic assumptions for corporate planning are shown in the following table. The key valuation assumptions relate to the discount rate, sales growth in the detailed planning period, gross profit and, derived from this, EBITDA and the growth rate in perpetuity.

CGU	Carrying amount of goodwill allocated to the CGU in EUR million	Discount rate in %	Growth rate in %	Key earnings/value drivers	Basic assumptions for corporate planning
Mobile Communications	1,128.1	5.87	0.50	▪ On the gross profit side, earnings can be broken down into two earnings streams: Profit contribution from new customers and customer retention. On the other hand, there are costs for purchased services (in particular Mobile network operators) ▪ The earnings contribution from new customers and customer retention is dominated by the costs of acquiring and retaining customers. This is offset by costs for the procurement of hardware and dealer commissions to be paid to sales partners in the course of acquisition or retention.	▪ Stable customer acquisition and retention costs ▪ Growing customer base in the postpaid business ▪ Stable postpaid ARPU ▪ Stable development of revenues, gross profit and EBITDA ▪ Slight increase in revenues and earnings contributions from digital lifestyle revenues
TV	226.6	8.12	1.00	▪ Revenues and gross profits of the individual end products, broken down by the respective sales markets	▪ Significant increase in revenues, gross profits and EBITDA contributions ▪ Significantly growing customer base
Online	28.8	6.59	0.25	▪ Revenues and gross profits of the individual end products, broken down by the respective sales markets	▪ Slight increase in revenues and gross profits as well as EBITDA contributions

The following table shows the basic assumptions for 2023.

CGU	Carrying amount of goodwill allocated to the CGU in EUR million	Discount rate in %	Growth rate in %	Key earnings/value drivers	Basic assumptions for corporate planning
Mobile Communications	1,122.8	6.10	0.50	▪ On the gross profit side, earnings can be broken down into two earnings streams: Earnings contribution from new customers and customer retention. On the other hand, there are costs for purchased services (in particular Mobile network operators) ▪ The earnings contribution from new customers and customer retention is dominated by the costs of acquiring and retaining customers. This is offset by costs for the procurement of hardware and dealer commissions to be paid to sales partners in the course of acquisition or retention.	▪ Stable customer acquisition and retention costs ▪ Slightly growing customer base in the postpaid business ▪ Slight increase in postpaid ARPU ▪ Stable development of revenues and EBITDA ▪ Slight increase in revenues and earnings contributions from digital lifestyle revenues ▪ Slight increase in revenues and gross profits at freenet Internet
TV	226.6	8.07	1.00	▪ Revenues and gross profits of the individual end products, broken down by the respective sales markets	▪ Significant increase in revenues, gross profits and EBITDA contributions ▪ Significantly growing customer base
Online	28.8	6.74	0.25	▪ Revenues and gross profits of the individual end products, broken down by the respective sales markets	▪ Slight increase in revenues and gross profits as well as EBITDA contributions

The 2024 impairment test for the “mobile communications”, “TV” and “Online” CGUs confirmed that there was no need to recognise an impairment loss for the goodwill allocated to the “mobile communications” CGU. A reasonably possible change in the above key assumptions for the impairment test would not result in an impairment as of the balance sheet date.

In the consolidated financial statements as of 31 December 2024, there is other goodwill for various CGUs in the amount of EUR 1.3 million (prior year: EUR 1.5 million), each of which is allocated to the “Other/holding” segment. The change compared to the previous year’s reporting date is due to the impairment of goodwill for narrowband in the amount of EUR 0.2 million based on current knowledge regarding the discontinuation of business operations. There were no further impairments of non-monetary assets (prior year: EUR 0).

17 Equity-accounted investments

In EUR million	31.12.2024	31.12.2023
Equity-accounted investments	0.4	0.3
Total	**0.4**	**0.3**

The consolidated financial statements as of 31 December 2024 include Bayern Digital Radio GmbH, Munich, with Carrying amounts of EUR 0.4 million (31 December 2023: EUR 0.3 million). The net profit for the year of this company amounts to EUR 0.3 million (prior year: EUR 0.2 million).

18 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities were calculated using the liability method with an overall tax rate of 30.40% (prior year: 30.30%), taking into account temporary differences.

The following amounts are recognised in the consolidated balance sheet:

In EUR thousand	31.12.2024	31.12.2023
Deferred income tax assets	97,244	108,176
Total	**97,244**	**108,176**

The surplus of deferred income tax assets of EUR 77.0 million (prior year: EUR 89.9 million) recognised in the deferred income tax assets for freenet AG’s consolidated tax group for corporate income tax and trade tax purposes is classified as current at EUR 68.0 million (prior year: EUR 54.5 million) and non-current at EUR 9.0 million (prior year: EUR 35.4 million) due to the expected utilisation of tax loss carryforwards. An excess of deferred tax assets of EUR 20.3 million (prior year: EUR 18.3 million) is recognised for companies outside the corporate income tax and trade tax group of freenet AG, of which EUR 6.8 million (prior year: EUR 0) is considered current.

The development of the recognised deferred income tax assets and deferred tax liabilities for the 2024 financial year is shown in the following table:

In EUR thousand	1.1.2024	Set off in other comprehensive income	Balance sheet reclassifications	Tax income and expenses	31.12.2024
Property, plant and equipment	– 40	0	25	0	– 15
Goodwill	–59,411	0	0	0	–59,411
Intangible assets	– 42,092	0	2,021	– 1,047	– 41,118
Lease assets	– 90,367	0	5,372	16,002	– 68,993
Other financial assets	– 24,049	– 136	29	3,529	– 20,627
Contract acquistion costs	– 85,716	0	0	– 5,179	– 90,895
Loss carryforwards	211,325	0	0	– 7,806	203,519
Lease liabilities	105,016	0	– 3,693	– 16,815	84,508
Pension provisions	2,283	1,201	0	– 1,118	2,366
Other provisions	2,447	0	573	49	3,069
Other financial liabilities	21,367	0	– 3	– 2,214	19,150
Trade accounts payable, other liabilities	142,707	0	0	2,167	144,874
Financial liabilities	497	0	0	– 264	233
Trade accounts receivable, other assets	– 75,791	0	– 75	– 3,550	– 79,416
Total	**108,176**	**1,065**	**4,249**	**– 16,246**	**97,244**

Tax income and expenses totalling a net expense of EUR 16,246 thousand (prior year: net expense of EUR 26,375 thousand) are included in the consolidated income statement as deferred income taxes under “Income taxes”. As in the prior year, they related exclusively to continuing operations. In the 2024 financial year, deferred tax income of EUR 4,249 thousand was also recognised within consolidated profit from discontinuing operations due to the recognition of Gravis’ business activities as discontinuing operations (please refer to the explanations in Note 36 of these Notes to the consolidated financial statements), see the “Reclassifications” column in the table above.

Deferred tax assets and deferred tax liabilities developed as follows in the 2023 financial year:

In EUR thousand	1.1.2023	Set off in other comprehensive income	Set off in other comprehensive income	Tax income and expenses	31.12.2023
Property, plant and equipment	499	0	2	– 541	– 40
Goodwill	–59,411	0	0	0	–59,411
Intangible assets	– 70,954	0	0	28,862	–42,092
Lease assets	– 107,971	0	3,899	13,705	– 90,367
Other financial assets	– 23,243	– 261	– 19	– 526	– 24,049
Contract acquistion costs	– 83,265	0	0	– 2,451	– 85,716
Loss carryforwards	246,054	0	0	– 34,729	211,325
Lease liabilities	126,562	0	– 3,730	– 17,816	105,016
Pension provisions	666	2,537	0	– 920	2,283
Other provisions	2,408	0	22	17	2,447
Other financial liabilities	19,062	0	– 39	2,344	21,367
Trade accounts payable, other liabilities	143,656	0	0	– 949	142,707
Financial liabilities	733	0	0	– 236	497
Trade accounts receivable, other assets	– 62,611	0	– 45	– 13,135	– 75,791
Total	**132,185**	**2,276**	**90**	**– 26,375**	**108,176**

Of the Total in the "Reclassifications" column in the table above, EUR 81 thousand is attributable to the reclassification of deferred taxes (income statement) from Gravis business activities to consolidated profit from discontinuing operations.

The summarised net development of deferred taxes is shown in the following overview:

In EUR thousand	2024	2023
As of 1.1.	**108,176**	**132,185**
Set off in other comprehensive income	1,065	2,276
Balance sheet reclassifications	0	9
Income statement reclassifications in accordance with IFRS 5	4,249	81
Tax expenses	– 16,246	– 26,375
As of 31.12.	**97,244**	**108,176**

The existing tax loss carryforwards that can be carried forward indefinitely are lower than the Total of the forecast cumulative results for the following four financial years. For this reason, the deferred tax asset relating to the amount of trade tax and corporation tax loss carryforwards as of 31 December 2024 was recognised in the consolidated balance sheet. The results expected for the following four financial years are based on the corporate planning of earnings before taxes for the next four financial years valid on the balance sheet date. The rules on minimum taxation were taken into account. As of 31 December 2024, deferred taxes recognised on loss carryforwards amounted to EUR 203,519 thousand (prior year: EUR 211,325 thousand). Of this item, EUR 154,096 thousand (prior year: EUR 136,433 thousand) is attributable to corporate income tax loss carryforwards and EUR 49,423 thousand (prior year: EUR 74,892 thousand) to loss carryforwards allocated to trade tax. There are no corporation or trade tax loss carryforwards as of 31 December 2024 (31 December 2023: corporation tax loss carryforwards of EUR 312 million) for which no deferred tax assets were recognised. As of the previous year's reporting date, there are no interest carryforwards pursuant to Section 4h (1) sentence 2 EStG.

Deferred taxes for loss carryforwards were recognised in full for Exaring despite tax losses in the current financial year and the prior year. The result for the current financial year and prior years was burdened by high investment expenses, which will no longer be incurred in subsequent years. Based on the increase in waipu.tv subscribers, management expects the loss carryforwards to be fully utilised in the next four years.

As of 31 December 2024, there are temporary outside basis differences (the net equity according to IFRS is higher than the corresponding carrying amounts of the investments for tax purposes) of around EUR 23.1 million (prior year: around EUR 29.0 million). No deferred taxes were recognised on this due to the lack of an expected reversal in the tax planning period.

19 Contract acquistion costs

Capitalised contract acquisition costs amounted to EUR 298,997 thousand as of 31 December 2024 (31 December 2023: EUR 282,891 thousand). They are mainly attributable to dealer commissions in the Mobile Communications segment and, to a lesser extent, to employee commissions.

In the 2024 financial year, there were new capitalisations with an equivalent value of EUR 323,744 thousand (prior year: EUR 300,464 thousand) with amortisation of EUR 307,638 thousand (prior year: EUR 292,375 thousand). These are exclusively scheduled amortisations – as in the prior year, there were no unscheduled amortisations of contract acquisition costs in the financial year.

In the postpaid business, the amortisation period is almost exclusively 24 months, as in the prior year. In the prepaid business, amortisation takes place over the imputed initial term, which is between 15 and 17 months. In 2024, 89% (2023: 89%) of the amortisation amount across the entire Group and all business divisions was oftributable to contract acquistion costs with an amortisation period of 24 months.

20 Inventories

Inventories are made up as follows:

In EUR thousand	31.12.2024	31.12.2023
Mobile phones/accessories	33,792	38,764
Computer/IT products	586	11,781
SIM cards	5,564	6,449
Bundles and vouchers	0	16
Other	6,761	6,814
Total	**46,703**	**63,824**

The year-end inventories are impaired in the amount of EUR 4,013 thousand (prior year: EUR 5,066 thousand).

21 Receivables, other assets and other financial assets

Receivables, other assets and other financial assets are made up as follows:

	31.12.2024		
In EUR thousand	Total	Long term	Short term
Trade accounts receivable	381,352	43,941	337,411
Other non-derivative financial assets	16,729	5,045	11,684
	398,081	**48,986**	**349,095**
Lease receivables	26,059	9,884	16,175
Other financial assets	46,746	11,638	35,108
Other equity instruments	88,790	88,790	0
Financial assets	**559,676**	**159,298**	**400,378**
Other assets	266,150	88,624	177,526
Prepayments made	11,791	77	11,714
Non-financial assets	**277,941**	**88,701**	**189,240**
Total Receivables, other assets and other financial assets	**837,617**	**247,999**	**589,618**

	31.12.2023		
In EUR thousand	Total	Long term	Short term
Trade accounts receivable	357,498	44,797	312,701
Other non-derivative financial assets	25,621	5,471	20,150
	383,119	**50,268**	**332,851**
Lease receivables	37,429	19,404	18,025
Other financial assets	46,544	13,986	32,558
Other equity instruments	87,820	87,820	0
Financial assets	**554,912**	**171,478**	**383,434**
Other assets	244,609	90,561	154,048
Prepayments made	6,629	159	6,470
Non-financial assets	**251,238**	**90,720**	**160,518**
Total Receivables, other assets and other financial assets	**806,150**	**262,198**	**543,952**

Other equity instruments are made up as follows:

In EUR thousand	31.12.2024	31.12.2023
Equity investment in Ceconomy	85,957	80,801
Equity investments in MGI	0	4,473
Other equity investments	2,178	2,007
Other	655	539
Total	**88,790**	**87,820**

With effect from 12 July 2018, the freenet Group acquired 9.1% of the ordinary shares (32,633,555 shares) in Ceconomy at a price of EUR 277.4 million. The investment in Ceconomy is reported as of 31 December 2024 with a carrying amount of EUR 86.0 million under other financial assets. As in the prior year, it is subsequently recognised at fair value in other comprehensive income. The Group recognises the market value of EUR 2.63 (Xetra trading platform) on the balance sheet date as the fair value.

By agreement dated 28 August 2020 and executed on 30 September 2020, the Group sold all shares in freenet digital GmbH and received in return 4,376,492 shares in the buyer Media and Games Invest SE, Malta (hereinafter also referred to as "MGI"), with a value (measured as of 30 September 2020) of EUR 5.7 million. All shares in MGI were sold in 2024.

Other investments are assessed at fair value through profit or loss.

Trade accounts receivable are due from third parties and mainly relate to receivables from fee revenues, equipment sales and fixed-line and internet services.

Total trade accounts receivable and other non-derivative financial assets, less loss allowances recognised, amounted to EUR 398,091 thousand as of 31 December 2024 (prior year: EUR 383,119 thousand). Please refer to our comments in Note 33. Trade accounts receivable are the most significant item in this class in the freenet Group. They consist primarily of Receivables from end customers, business customers, dealers and sales partners. Other assets and prepayments made in the amount of EUR 277,941 thousand (prior year: EUR 251,238 thousand) are non-financial assets as of 31 December 2024.

Invoicing in the Mobile Communications segment is carried out by the Group itself. In the Other/holding segment, some invoices are issued by the Group itself, while Deutsche Telekom AG, Bonn (DTAG) is used for collection in the narrowband segment.

Insofar as invoices are issued to end customers themselves, they are predominantly due immediately after invoicing. Submissions made to DTAG have a payment term of 30 days.

The maximum default risk for Trade accounts receivable as of the balance sheet date is EUR 375.7 million (prior year: EUR 350.7 million) due to existing trade credit insurance. The maximum default risk for Other financial assets and other equity instruments corresponds to the carrying amounts recognised.

The loss allowances recognised as of the reporting date of 31 December 2024 were attributable to the categories of receivables and assets presented below. On this basis, the loss allowances with regard to Trade accounts receivable, other assets and other receivables and other assets were determined as follows as of 31 December 2024:

31 December 2024

Impairment losses recognized on receivables, other assets and other financial assets in accordance with IFRS 9

In EUR thousand	Balance sheet item	Carrying amounts before loss allowance	Loss allowance	Carrying amounts after loss allowance	Expected loss rate (mathe-matical) in %
Receivables from end customers – not overdue	Trade accounts receivable	155,319	– 3,254	152,065	2.1
Receivables from end customers – overdue for <90 days	Trade accounts receivable	21,184	– 5,411	15,773	25.5
Receivables from end customers – overdue between 90 and 180 days	Trade accounts receivable	11,687	– 6,329	5,358	54.2
Receivables from end customers – overdue for >180 days	Trade accounts receivable	78,099	– 59,383	18,716	76.0
Receivables from business partners	Trade accounts receivable	191,531	– 2,091	189,440	1.1
Other non-derivative financial assets (Level 1)	Other financial assets	46,087	– 468	45,619	1.0
Other financial assets					
thereof lease receivables [1]	Other financial assets	26,059	0	26,059	0.0
thereof consideration payable in accordance with IFRS 15 (mobile communications/ mobile phone option) (Level 1)	Other financial assets	47,805	– 1,057	46,748	2.2
Other assets					
thereof contractual assets from contracts with customers (mobile communications)	Other receivables and other assets	115,316	– 2,451	112,865	2.1
thereof consideration payable in accordance with IFRS 15 (mobile communications/tariff)	Other receivables and other assets	123,939	– 2,895	121,044	2.3
thereof financial assets from contracts with customers (TV)	Other receivables and other assets	29,559	0	29,559	0.0

[1] The identified impairment loss on lease receivables was immaterial in the 2024 financial year and was not recognised.

31 December 2023

Impairment losses recognized on receivables, other assets and other financial assets in accordance with IFRS 9

In EUR thousand	Balance sheet item	Carrying amounts before loss allowance	Loss allowance	Carrying amounts after loss allowance	Expected loss rate (mathe-matical) in %
Receivables from end customers – not overdue	Trade accounts receivable	161,565	– 3,290	158,275	2.0
Receivables from end customers – overdue for <90 days	Trade accounts receivable	21,799	– 5,968	15,831	27.4
Receivables from end customers – overdue for between 90 and 180 days	Trade accounts receivable	13,674	– 7,253	6,421	53.0
Receivables from end customers – overdue for >180 days	Trade accounts receivable	70,820	– 57,188	13,632	80.8
Receivables from business partners	Trade accounts receivable	166,158	– 2,818	163,340	1.7
Other non-derivative financial assets (Level 1)	Other financial assets	67,848	– 2,252	65,596	3.3
Other financial assets					
Other financial assets	Other financial assets	39,277	– 1,848	37,429	4.7
thereof consideration payable in accordance with IFRS 15 (mobile communications/ mobile phone option) (Level 1)	Other financial assets	47,508	– 964	46,544	2.0
Other assets					
thereof contractual assets from contracts with customers (mobile communications)	Other receivables and other assets	103,674	– 2,260	101,414	2.2
thereof consideration payable in accordance with IFRS 15 (mobile communications/tariff)	Other receivables and other assets	112,072	– 2,433	109,639	2.2
thereof financial assets from contracts with customers (TV)	Other receivables and other assets	32,058	– 4,846	27,212	15.1

We provide the following information on the development of loss allowances in the 2024 financial year:

In EUR thousand	Trade accounts receivable (simplified model)	Other financial assets (Stage 1)	Other receivables and other assets (contract assets)	Total
Loss allowances as of 31.12.2023 – calculated in accordance with IFRS 9 (thereof impairment allowance 3,358)	**76,517**	**3,216**	**9,539**	**89,272**
Net change in loss allowances in 2024	– 49	– 1,691	– 4,193	– 5,933
Loss allowances as of 31.12.2024 – calculated in accordance with IFRS 9 (thereof impairment allowance 2,767)	**76,468**	**1,525**	**5,346**	**83,339**

We provide the following information on the development of loss allowances in the 2023 financial year:

In EUR thousand	Trade accounts receivable (simplified model)	Other financial assets (Stage 1)	Other receivables and other assets (contract assets)	Total
Loss allowances as of 31.12.2022 – calculated in accordance with IFRS 9 (thereof impairment allowance 6,692)	**93,392**	**1,143**	**9,778**	**104,313**
Net change in loss allowances in 2023	– 16,875	2,073	– 239	– 15,041
Loss allowances as of 31.12.2023 – calculated in accordance with IFRS 9 (thereof impairment allowance 3,358)	**76,517**	**3,216**	**9,539**	**89,272**

We provide the following breakdown of non-current other financial assets:

In EUR thousand	31.12.2024	31.12.2023
Interest in CECONOMY AG	85,957	80,801
Consideration payable in accordance with IFRS 15 (mobile communications/mobile phone option)	11,639	13,986
Lease receivables	9,884	19,404
Interest in MGI	0	4,473
Other	7,877	8,017
Total	**115,357**	**126,681**

For information on lease receivables, please refer to our comments in Note 2.5.

The current other financial assets are made up as follows:

In EUR thousand	31.12.2024	31.12.2023
Consideration payable in accordance with IFRS 15 (mobile communications/mobile phone option)	35,109	32,558
Lease receivables	16,175	18,025
Other	11,683	20,150
Total	**62,967**	**70,733**

For information on lease receivables, please refer to our comments in Note 2.5.

The “Consideration Paid” and “Consideration Payable”, which (see the two breakdowns above) is a component of non-current and current other financial assets (insofar as it relates to mobile communications contracts with a mobile phone option) or (see the two breakdowns below) a component of non-current and current other receivables and other financial assets (insofar as it relates to mobile communications contracts without a mobile phone option), we provide the following explanation: If freenet sells only the rate plan to the end customer, while the third-party retailer in indirect sales issues a discounted smartphone or other customer benefit to the end customer, freenet pays the retailer partial remuneration that exceeds the equivalent value of the pure brokerage service for the rate plan and is compensation for the smartphone subsidy or other customer benefit granted. the other customer benefits granted. In these cases, the rate price that freenet charges the end customer for the mobile service may include an increasing or compensatory component, which is referred to as “Consideration Paid”. This “Consideration Paid” is recognised as other financial assets if the increased commission payment is attributable to a smartphone provided at a discount by the retailer and an amount to be paid by the customer in the future is not dependent on the provision of the mobile service. In cases where the customer’s payment is solely dependent on the provision of the mobile phone service, it is capitalised as “Consideration Payable” under other receivables and other assets. Reversal of these assets is recognised as a reduction in revenues over the term of the contract.

We provide the following breakdown of non-current other receivables and other assets:

In EUR thousand	31.12.2024	31.12.2023
Contract assets from contracts with customers (mobile communications)	40,090	37,177
Consideration Payable in accordance with IFRS 15 (mobile communications/tariff)	31,077	30,497
Other assets from contracts with customers (TV)	16,574	16,836
Other	960	6,210
Total	**88,701**	**90,720**

The current other receivables and other assets are made up as follows:

In EUR thousand	31.12.2024	31.12.2023
Consideration Payable in accordance with IFRS 15 (mobile communications/tariff)	89,967	79,142
Contract assets from contracts with customers (mobile communications)	72,775	64,237
Other assets from contracts with customers (TV)	12,985	10,376
Other	13,513	6,763
Total	**189,240**	**160,518**

Non-current trade accounts receivable break down as follows:

In EUR thousand	31.12.2024	31.12.2023
Receivables from end customers with mobile phone option (mobile communications)	43,525	44,487
Other	416	310
Total	**43,941**	**44,797**

Current Trade accounts receivable are made up as follows:

In EUR thousand	31.12.2024	31.12.2023
Receivables from network operators, dealers, distributors, hardware manufacturers (mobile communications)	170,251	143,766
Receivables from end customers with mobile phone option (mobile communications)	82,389	81,998
Receivables from end customers without mobile phone option (mobile communications)	65,997	64,056
Receivables from end customers (TV and media, and other/holding)	3,158	3,619
Other	15,616	19,262
Total	**337,411**	**312,701**

22 Liquid assets

The composition of liquid assets is as follows:

In EUR thousand	31.12.2024	31.12.2023
Cash at bank, cheques and cash in hand	181,590	159,815
Total	**181,590**	**159,815**

23 Current income tax assets

Current income tax assets mainly relate to expected tax refunds for past years from corporation tax and trade tax.

24 Equity

For the following figures, please also refer to the consolidated statement of changes in equity.

24.1 Share capital

The company's issued share capital remains unchanged from the prior year at EUR 118,901 thousand. The share capital is divided into 118,901 thousand no-par value registered shares with an imputed nominal value of EUR 1.00 each. Total share capital is fully paid up. All shares carry the same rights.

The Executive Board was authorised by the Annual General Meeting on 5 May 2022, with the approval of the Supervisory Board pursuant to Section 71 (1) no. 8 AktG, to acquire and use treasury shares totalling up to 10% of the share capital existing at the time of the resolution on this authorisation or – if this amount is lower – of the share capital existing at the time of the respective exercise of this authorisation for any permissible purpose within the scope of the statutory provisions. The authorisation is valid until 4 May 2027.

In addition to the authorisation pursuant to Section 71 (1) no. 8 AktG, the Executive Board may also use equity derivatives to acquire treasury shares. This does not increase the total volume of shares that may be acquired; it merely opens up a further alternative to the acquisition of own shares.

24.2 Capital reserve

The capital reserves of freenet AG remained unchanged at EUR 567,465 thousand as of 31 December 2024. Materiality of the reported capital reserve continues to stem from the capital increase in 2008 due to the acquisition of the debitel Group (EUR 349.8 million) and from the merger of mobilcom AG and freenet.de AG into freenet AG, which took effect in 2007, and the related acquisition of the non-controlling interests in the former freenet.de AG (EUR 134.7 million).

24.3 Accumulated other comprehensive income

Accumulated other comprehensive income mainly consists of actuarial losses and gains from the accounting of pension plans in accordance with IAS 19, currency conversion differences due to the subsequent accounting of equity-accounted investments and the change in fair value of investments in equity instruments. Please refer to Note 18 for information on income taxes recognised in other comprehensive income.

24.4 Consolidated balance sheet result

The consolidated balance sheet result is essentially composed of the accumulated consolidated profit attributable to shareholders of freenet AG and the non-controlling interests in Exaring AG.

24.5 Equity attributable to non-controlling interests

The non-controlling interests in equity of EUR –5.0 million (31 December 2023: EUR –3.8 million) are attributable to the 25.38% of shares (31 December 2023: 25.38%) held by non-controlling interests in Exaring. The following information is provided on Exaring's assets and liabilities as of 31 December 2024, before consolidation of liabilities, expenses and income and including the effects of subsequent accounting for the purchase price allocation:

Exaring AG In EUR million	31.12.2024	31.12.2023
Non-current assets	61.6	55.0
Current assets	37.9	25.8
Total Assets	**99.5**	**80.8**
Non-current liabilities	14.7	10.1
Current liabilities	48.2	30.7
Total liabilities	**62.9**	**40.8**
Net assets	**36.6**	**40.0**
thereof equity attributable to non-controlling interests	–5.0	–3.8

Exaring AG's net loss for the 2024 financial year was EUR 3.3 million (prior year: EUR 5.7 million).

24.6 Authorised capital

Authorised capital (Authorised Capital 2020) was created at the Annual General Meeting on 27 May 2020. Accordingly, the Executive Board is authorised until 10 June 2025, with the approval of the Supervisory Board, to increase the share capital by issuing new shares against cash and/or non-cash contributions on one or more occasions, but by a maximum total of EUR 12.8 million for up to 12,800,000 new shares. The full wording of the Executive Board's authorisation has been published in the Federal Gazette under agenda item 7 in the invitation to the 2020 Annual General Meeting. The Executive Board did not make use of this authorisation in the 2024 financial year.

24.7 Conditional capital

In accordance with the resolution passed by the Annual General Meeting on 27 May 2020, the company's capital is conditionally increased by up to EUR 12.8 million by issuing up to 12,800,000 new no-par value ordinary registered shares with a pro rata amount of the share capital of EUR 1.00 per share (Conditional Capital 2020). The conditional capital increase serves to grant no-par value registered shares to the holders or creditors of convertible bonds and/or bonds with warrants that are issued on the basis of the authorisation resolved by the Annual General Meeting on 27 May 2020 under agenda item 8, no. 1) and grant a conversion or option right or a share delivery right of the company to no-par value registered shares of the company or determine a conversion or option obligation.

The issue price for the new no-par value registered shares is based on the provisions set out in Section 4 (7) of the Articles of Association. The conditional capital increase is only to be carried out to the extent that conversion or option rights or a share delivery right is exercised or to the extent that the holders or creditors obliged to exercise the conversion or option fulfil their obligation to convert or exercise the option and to the extent that treasury shares are not used for servicing or the company makes a cash settlement. The new no-par value registered shares participate in profits from the beginning of the financial year in which they are created. The Executive Board is authorised to determine the further details of the implementation of the conditional capital increase. The Executive Board did not make use of this authorisation in the 2024 financial year.

25 Employee incentive programmes

25.1 Programme 3

In addition to the annual target agreement, a five-year (for Mr Vilanek and Mr Esch) or three-year (for Mr Arnold, Mr v Platen and Mr Fromme) target agreement was concluded with Programme 3 in line with the term of the service contracts, which takes into account the target achievement from the respective annual variable remuneration for the 2019 to 2023 financial years (for Mr Vilanek), the 2020 to 2024 financial years (for Mr Esch), the 2019 to 2021 financial years (for Mr Arnold) and the 2018 financial years (pro rata from the appointment to the Executive Board, i.e. from 1 June 2018 to 2021). June 2018) to 2021 (pro rata until the end of the term of the employment contract on 31 May 2021) (for Mr v Platen and Mr Fromme) were declared target parameters. For Programme 3, a base amount was set as the target remuneration for each beneficiary in the service contract, which is posted to a virtual account for the respective member of the Executive Board as a positive amount for each financial year in accordance with target achievement as described in more detail below and is paid out after the other payout conditions (as described in more detail below) have been met, depending on further performance. Total base amounts of EUR 1,650 thousand (thereof EUR 650 thousand for Mr Vilanek and EUR 250 thousand each for Mr Esch, Mr Arnold, Mr v Platen and Mr Fromme) per full financial year were set as the target remuneration for the beneficiaries.

If the degree of target achievement of the annual variable target agreement for a financial year is 100%, 100% (as a base amount multiplier) of the base amount is allocated to the virtual LTIP account. A maximum of 150% of the base amount (for a target achievement level of 125% or more) is allocated to the virtual account. If the target achievement level is less than 70%, no virtual shares are allocated for the financial year in question. If the target achievement level is between 70% and 125%, a corresponding linear interpolation is carried out at the 100% value.

The respective amount in the virtual account (referred to as the “allocation amount” for the respective target period as the product of the base amount and the respective base amount multiplier described above) is converted into the cancellation number of virtual shares by dividing it by the relevant share price. The relevant share price is the average Xetra closing price of all stock exchange trading days in the twelve months of the respective target period, i.e. the respective past financial year. Irrespective of the above division, the number of shares to be booked in each individual case is limited to 100,000 per year (for Mr Vilanek) or 40,000 virtual shares per year (for Mr Esch, Mr Arnold, Mr von Platen and Mr Fromme).

The following applies to all payments from the programme: an entitlement to payments from the LTIP account only arises, after observing the holding periods and exercise periods, if and to the extent that a certain long-term EBT target is achieved. EBT is defined as consolidated earnings before taxes, adjusted for one-off effects and the effects of inorganic growth. The relevant comparative value for the achievement of the EBT target is the Group EBT for the 2022 financial year for all members of the Executive Board benefiting from Programme 3 – with the exception of Mr Esch – and the Group EBT for the 2023 financial year for Mr Esch. If the Group EBT target is achieved on time, the number of virtual shares booked over several years as described above will be retained. If the EBT target is exceeded or not reached, the number of virtual shares cancelled will be doubled at most if the target is reached by 105% or more, or set to zero if the target is reached by 90% or less. Linear interpolation is applied between the EBT target achievement levels mentioned. The Executive Board member can request payment of the resulting payout amount at the earliest when the EBT target is reached (for all Executive Board members except Mr Esch at the beginning of 2023; for Mr Esch at the beginning of 2024), but not before the end of the vesting period for the respective number of shares.

Regarding the holding period: the respective number of shares booked into the virtual LTIP account must generally be held by the member of the Executive Board for three years from 1 January of the year in which the virtual shares were booked into the virtual LTIP account. If the service contract is not extended after the end of the regular contract term, the holding period ends for Mr Vilanek, Mr Esch and Mr Arnold no later than 18 months after the penultimate target period within the contract term (i.e. six months after the regular end of the contract term) and for Mr v Platen and Mr Fromme no later than 18 months after the last full target period within the contract term (i.e. 13 months after the end of the regular contract term).

With regard to the exercise period: The member of the Executive Board is entitled to demand payment of the payout amount within a period of two years after expiry of the respective holding period, but at the earliest after the EBT target has been reached. Payment may also be requested in instalments. If payment is not requested or not requested on time, the virtual shares in question are forfeited.

The maximum amount that can be paid out in each case corresponds to the number of virtual shares that can be paid out, multiplied by the payout factor, plus the dividend amount. The payout factor is the average Xetra closing price of all stock exchange trading days in the twelve months prior to the date of the payout request. The member of the Executive Board can therefore continue to participate in the share price increase during the exercise period by not exercising virtual shares, but also bears the risk of a loss in value during this time. The payout factor is limited to the amount of EUR 50 (cap) regardless of the share price performance. The dividend amount is the Total of the amounts of the respective gross dividend per share that was distributed in the period between the beginning of the holding period for the respective cancellation number and the day of the payout request, multiplied by the number of virtual shares that can be paid out. In this calculation of the dividend amount, however, an amount of EUR 20 per distributable virtual share may not be exceeded (dividend cap). For Mr Vilanek and Mr Esch, the last financial year of the service contract benefiting from Programme 3 (2023 for Mr Vilanek, 2024 for Mr Esch) is downstream of the year of the EBT target (2022 for Mr Vilanek, 2023 for Mr Esch). For this last financial year, the cancellation of virtual shares is determined depending on the achievement of the EBT target; a payout for this last financial year is only possible if the EBT of this last financial year exceeds the EBT of the prior year (i.e. the year of the EBT target) by at least 1.5%.

The usual market rules on protection against dilution apply, i.e. in cases such as a share split, a consolidation of shares or a capital increase from company funds with the issue of new shares, the respective number of virtual shares in the LTIP account is restated accordingly.

The obligation from the LTIP programme was determined at fair value in accordance with IFRS 2 using a recognised valuation model. The Materiality parameters included in this valuation model are the share price of freenet AG on the balance sheet date, the estimate of the expected exercise date of the respective tranche, the volatility of the share prices corresponding to the remaining term of the LTIP programme, the estimate of the degree of target achievement for the respective past fiscal year and the estimate of the Discount rate. The so-called “graded vesting method” is applied, according to which personnel expenses are incurred for all Executive Board members from the time the programme is granted.

As of 31 December 2024, a total of 578,070 virtual shares (31 December 2023: 764,100 virtual shares) were booked to the virtual accounts of the beneficiaries in Programme 3. All existing virtual shares as of 31 December 2024 are vested. As of 31 December 2023, 708,178 virtual shares were vested.

The development of the number of virtual shares in Programme 3 in the 2024 financial year and in the prior year 2023 is shown in the following overviews:

PROGRAMME 3	Number of virtual shares 1.1.2024	Additions	Disposal by payout	Number of virtual shares 31.12.2024	Provisions 31.12.2024 in EUR thousand
Christoph Vilanek	379,752	83,156	200,322	262,586	8,156
Ingo Arnold	113,018	0	34,214	78,804	2,571
Stephan Esch	55,922	87,904	0	143,826	5,337
Rickmann v Platen	112,704	0	54,884	57,820	1,890
Antonius Fromme	102,704	0	67,670	35,034	1,177
Total	**764,100**	**171,060**	**357,090**	**578,070**	**19,131**

PROGRAMME 3	Number of virtual shares 1.1.2023	Additions	Disposal by payout	Number of virtual shares 31.12.2023	Provisions 31.12.2023 restated in EUR thousand
Christoph Vilanek	146,924	232,828	0	379,752	13,127
Ingo Arnold	56,509	56,509	0	113,018	3,311
Stephan Esch	39,402	16,520	0	55,922	4,046
Rickmann v Platen	56,352	56,352	0	112,704	3,329
Antonius Fromme	56,352	56,352	10,000	102,704	3,033
Total	**355,539**	**418,561**	**10,000**	**764,100**	**26,846**

Please refer to Note 2.17 of these Notes to the consolidated financial statements for information on the retrospective adjustment of the personnel expenses recognised in the prior year 2023 from Programme 3 and the Provisions recognised as of 31 December 2023 from Programme 3.

EUR 1,203 thousand (prior year restated: EUR 3,705 thousand) of the personnel expenses of EUR 3,275 thousand (prior year restated: EUR 6,873 thousand) recognised in 2024 are attributable to Mr Vilanek, EUR 314 thousand (prior year restated: EUR 643 thousand) to Mr Arnold, EUR 1,291 thousand (prior year restated: EUR 918 thousand) to Mr Esch and EUR 233 thousand (prior year restated: EUR 806 thousand) to Mr Esch. EUR 643 thousand) to Mr Arnold, EUR 1,291 thousand (prior year restated: EUR 918 thousand) to Mr Esch, EUR 233 thousand (prior year restated: EUR 806 thousand) to Mr v Platen and EUR 234 thousand (prior year restated: EUR 801 thousand) to Mr Fromme. Of the personnel expenses of EUR 3,275 thousand recognised in 2024, EUR 10,990 thousand is attributable to payments for exercises, with a reduction in Provisions of EUR 7,715 thousand. EUR 6,174 thousand of the payments from exercises were attributable to Mr Vilanek, EUR 1,054 thousand to Mr Arnold, EUR 1,672 thousand to Mr v Platen and EUR 2,090 thousand to Mr Fromme.

Of the restated personnel expenses of EUR 6,873 thousand recognised in 2023, EUR 6,582 thousand related to additions to Provisions and EUR 291 thousand to payments for exercises. The payments of EUR 291 thousand were made to Mr Fromme.

Additions in 2024 were made for the 2023 financial year and, with regard to Mr Esch, additionally for the prior financial years benefiting from the programme (here: 2020 to 2022) due to the doubling of the number of phantom shares as a result of the maximum achievement of the EBT target for 2023. The additions in 2023 were made for the 2022 financial year and for the previous financial years benefiting from the programme due to the doubling of the number of virtual shares as a result of the maximum achievement of the EBT target for 2022. Additions of virtual shares to the virtual LTIP account for the 2024 financial year (this only concerns Mr Esch) had not yet been made as of the reporting date. The EBT target for 2024 relevant to Mr Esch had not yet been finalised by the time this remuneration report was prepared due to the approval of the consolidated financial statements as of 31 December 2024, but it is nevertheless assumed that this EBT target of 104.9% will be achieved. Additions for the 2024 financial year are expected to amount to 25,512 virtual shares for Mr Esch.

25.2 Programme 4

In Programme 4, in addition to the annual target agreement, a five-year target agreement was originally concluded with Mr v Platen and Mr Fromme in line with the term of the new service contracts, which declares the target achievement from the respective annual variable remuneration for the financial years 2021 (pro rata from the appointment to the Executive Board, i.e. from 1 June 2021) to 2026 (pro rata until 31 May 2026) as the target parameter. Due to the transfer of the Executive Board service contracts of Mr v Platen and Mr Fromme to the new Executive Board remuneration system approved by the Annual General Meeting in 2022 and the associated granting of Programme 5 to Mr v Platen and Mr Fromme from 1 January 2022 (see also our comments on Programme 5 below), Programme 4 was shortened – now only the short-term variable remuneration from 1 June 2021 to 31 December 2021 represents the target parameter.

Base amounts of EUR 169 thousand each were set as the target remuneration for the beneficiaries for this period for the target period from 1 June 2021 to 31 December 2021.

The basic features and exercise conditions of Programme 4 correspond in principle to those of Programme 3 described above, although the holding period has been increased from three years to four years compared to Programme 3. A limit on the annual number of entries, a dividend cap and a maximum payout factor have not been set – instead, however, the total payout amount under Programme 4 (based on the term of the programme, not on individual years of the payout) is limited to 400% of the base amount of Programme 4.

The relevant comparative figure for the EBT target is the Group EBT for the 2025 financial year.

In the 2022 financial year, Mr v Platen and Mr Fromme were issued virtual shares for the first time for Programme 4, namely 12,170 shares each, which also represent the final holdings for this programme in terms of the number of shares issued. Depending on the achievement of the EBT target for 2025, this holding can be doubled at most or set to zero if the target is achieved by 90% or less.

The obligation from the LTIP programme was determined at fair value in accordance with IFRS 2 using a recognised valuation model. Material parameters included in this valuation model are the share price of freenet AG as of the balance sheet date, the estimate of the expected exercise date of the tranche, the volatility of the share prices corresponding to the remaining term of the LTIP programme, the estimate of the degree of target achievement for the respective past fiscal year and the estimate of the Discount rate. The so-called “graded vesting method” is applied, according to which personnel expenses are incurred for all Executive Board members from the time the programme is granted.

The provisions recognised as of 31 December 2024 for Mr v Platen and Mr Fromme each amount to EUR 747 thousand (prior year restated: EUR 695 thousand each). The personnel expenses recognised from this programme in 2024 for Mr v Platen and Mr Fromme amount to EUR 52 thousand each (prior year restated: EUR 168 thousand each).

Please refer to Note 2.17 of these Notes to the consolidated financial statements for information on the retrospective adjustment of the personnel expenses recognised in the prior year 2023 from Programme 4 and the Provisions recognised as of 31 December 2023 from Programme 4.

25.3 Programme 5

Under Programme 5, as part of the introduction of the new Executive Board remuneration system in the 2022 financial year, new long-term variable salary components were granted to members of the Executive Board Arnold, v Platen and Fromme, namely from 1 January 2022 to 31 December 2026 for Mr Arnold and from 1 January 2022 to 31 May 2026 for Mr v Platen and Mr Fromme respectively. Ms Engenhardt-Gillé was granted long-term variable salary components in this programme on the occasion of her first appointment as a member of the Executive Board from 1 January 2023, namely for the period from 1 January 2023 to 31 December 2025. Mr Vilanek was granted long-term salary components in Programme 5 on the occasion of the extension of his service contract with effect from 1 January 2024. These relate to the period until Mr Vilanek leaves the company, at the latest until 31 December 2025.

For Programme 5, a base amount was defined in the service contract for each beneficiary as the target remuneration, which is posted to a virtual account for the respective member of the Executive Board as a positive amount in accordance with the target achievement described in more detail below and is paid out after the other payout conditions have been met, depending on further performance. Virtual shares are booked into the LTIP account annually (one LTIP tranche per year) at the beginning of the performance period of the respective LTIP tranche. The performance period of an LTIP tranche begins on 1 January (for Mr Arnold, Mr v Platen and Mr Fromme for the first time on 1 January 2022, for Ms Engenhardt-Gillé for the first time on 1 January 2023 and for Mr Vilanek for the first time on 1 January 2024) and lasts four years. The LTIP tranche, which was booked to the beneficiaries on 1 January 2023, for example, ends on 31 December 2026 and is referred to as the “2023/2026 tranche”. For the beneficiaries, the target remuneration for each LTIP tranche was set at EUR 975 thousand for Mr Vilanek, EUR 469 thousand for Mr Arnold, EUR 435 thousand for Mr v Platen, EUR 435 thousand for Mr Fromme and EUR 215 thousand for Ms Engenhardt-Gillé. The number of virtual shares credited to the LTIP account of each member of the Executive Board as part of an LTIP tranche (the initial number of virtual shares) is calculated by dividing the base amount by the “relevant share price I”. The relevant share price I represents the average Xetra closing price of the freenet share on the last 60 trading days before the start of the relevant performance period.

The payout amount to which the member of the Executive Board is entitled for the respective LTIP tranche is calculated as the product of the final number of virtual shares and the “relevant share price II”. The final number of virtual shares is calculated by multiplying the initial number of virtual shares by the total target achievement expressed as a percentage, which is described in more detail below. The relevant share price II is the average Xetra closing price of the freenet share on the last 60 trading days of the relevant performance period, plus the Total of the amounts of the respective gross dividend per share distributed during the performance period. The following targets are defined: the EBT target (weighting 50%), the “relative total shareholder return” target (weighting 30%) and sustainability targets (weighting 20%). The overall target achievement is calculated on the basis of the weighted target achievement levels for the individual Targets. The payout amount is limited to a maximum of 250% of the base amount of the relevant LTIP tranche. The payout amount per tranche is due for payment within six weeks of approval of the consolidated financial statements by the Supervisory Board.

The earnings-related target is EBT, which the Supervisory Board sets annually for each annual instalment on the basis of the corporate planning. EBT target achievement is determined by the Supervisory Board on the basis of the audited consolidated financial statements approved by the Supervisory Board for the last financial year of the performance period after adjustment for non-recurring items and inorganic effects.

The Supervisory Board also decides annually on the sustainability targets to be used for each annual instalment. The Supervisory Board selects the ESG Targets from the following categories derived from the company’s materiality analysis: Employees, Digital responsibility, Customer matters, Corporate environmental protection, Compliance and integrity as well as Supply chain and human rights due diligence. It is taken into account that the sustainability targets are quantifiable and transparent, differ from the targets set out in the STIP and motivate the Executive Board to ensure the sustainable development of the company.

The total shareholder return (TSR) relative to suitable benchmark indices is determined as a share price-based target. The MDAX and the STOXX Europe 600 Telecommunications currently serve as reference indices. To determine the performance of the freenet share in relation to the two reference indices, the absolute comparative value development (outperformance) is calculated annually over the four years of the performance period, plus the gross dividend per share of freenet AG paid out and notionally reinvested during this period. The absolute outperformance is calculated annually in percentage points (pp) and translated into the corresponding annual target achievement in accordance with the target scale for the relative TSR. To determine the overall target achievement, the arithmetic average of the annual target achievements over the four-year performance period of the respective annual tranche is calculated.

In order to avoid the influence of possible one-time effects on individual reporting dates, the average share price of the freenet share or the average performance of the respective reference indices of the last 60 trading days on the relevant reporting date is used to calculate the relative TSR. The target achievement of freenet’s relative TSR against the respective reference index is converted into a target achievement percentage within a range of 0% to 200% (see below). Finally, to determine the overall target achievement of the relative TSR, the target achievement percentages against both reference indices are each weighted at 50% and added together.

For both the earnings target and the sustainability targets, target achievement levels of between 50% and 200% are set annually by the Supervisory Board at the beginning of the performance period for the respective annual tranche, along with the corresponding minimum and maximum values. The target achievement levels for the share price target are between 0% and 200%. Furthermore, the minimum value is -50% points (corresponds to 0% target achievement), the target value is 0% points (corresponds to 100% target achievement) and the maximum value is +50% points (corresponds to 200% target achievement) of the absolute outperformance for the share price target.

If the minimum value (hurdle) of a target is not exceeded, the target achievement for this performance criterion is 0%. If the actual value exceeds the defined maximum value (cap), the corresponding target achievement is limited to 200%. Target achievement between the defined anchor points, i.e. between the minimum target and the target value and between the target value and the maximum value, is calculated using linear interpolation.

The respective target achievements of the three performance criteria of the LTIP are added together according to their weighting to determine the overall target achievement.

In other respects, Programme 5 contains the usual anti-dilution provisions as well as the option for the Supervisory Board to reduce the number of virtual shares booked in at its reasonable discretion following prior consultation with the member of the Executive Board due to extraordinary developments up to the end of the respective performance period/holding period. In the event of breaches of duty or compliance, the Supervisory Board can review the LTIP payout entitlements and reduce or reclaim them if necessary (claw-back).

The obligation from the LTIP programme was determined at fair value in accordance with IFRS 2 using a recognised valuation model (Monte Carlo simulation). Material parameters included in this model are the share price of freenet AG on the balance sheet date, the average share prices of the relevant periods of the current and previous year relevant for the determination of the target “Relative TSR”, the estimate of the future development of the share prices relevant for the target “Relative TSR”, the volatility of the share prices corresponding to the remaining term of the LTIP programme, the volatility of the share prices corresponding to the remaining term of the LTIP programme and the volatility of the share prices corresponding to the remaining term of the LTIP programme, the volatility of the share prices corresponding to the remaining term of the LTIP programme, the estimate of the degree of target achievement with regard to the EBT target and the sustainability targets for the respective LTIP tranches issued and the estimate of the discount rate.

As of 31 December 2024, a total of 238,460 virtual shares were booked as the initial number of virtual shares for the beneficiaries under Programme 5 (prior year: 135,685 virtual shares), thereof 39,634 (prior year: 0) for Mr Vilanek, 62,854 (prior year: 43,799) for Mr Arnold, 58,329 (prior year: 40,646) for Mr v Platen, 58,329 (prior year: 40,646) for Mr Fromme and 19,314 (prior year: 10,594) for Ms Engenhardt-Gillé. In the 2024 financial year, Programme 5 resulted in personnel expenses of EUR 5,082 thousand (prior year: EUR 2,682 thousand), thereof EUR 1,306 thousand (prior year: EUR 0) for Mr Vilanek, EUR 1,177 thousand (prior year: EUR 832 thousand) for Mr Arnold, EUR 1,120 thousand (prior year: EUR 773 thousand) for Mr v Platen, EUR 1,120 thousand (prior year: EUR 773 thousand) for Mr Fromme and EUR 359 thousand (prior year: EUR 304 thousand) for Ms Engenhardt-Gillé. Provisions recognised as of 31 December 2024 totalled EUR 9,140 thousand (prior year: EUR 4,058 thousand), thereof EUR 1,306 thousand for Mr Vilanek (prior year: EUR 0), EUR 2,491 thousand for Mr Arnold (prior year: EUR 1.314 thousand), EUR 2,340 thousand for Mr v Platen (prior year: EUR 1,220 thousand), EUR 2,340 thousand for Mr Fromme (prior year: EUR 1,220 thousand) and EUR 663 thousand for Ms Engenhardt-Gillé (prior year: EUR 304 thousand).

25.4 Other employee incentive programmes

As of 31 December 2024, the Group had two further employee incentive programmes with provisions totalling EUR 5,967 thousand (one programme at EUR 5,873 thousand and another programme at EUR 94 thousand) (prior year: two programmes with provisions totalling EUR 2,310 thousand, thereof one at EUR 2,216 thousand and the other at EUR 94 thousand). In the programme with the provision amount of EUR 5,873 thousand, employees were granted virtual company shares that will vest by 31 December 2025. The amount paid out per virtual company share depends on the achievement of a customer base target.

26 Trade accounts payable, other liabilities and deferrals and other financial liabilities

Trade accounts payable, other liabilities and deferrals and other financial liabilities are made up as follows:

	31.12.2024		
In EUR thousand	Total	Non-current	Current
Trade accounts payable	316,858	0	316,858
Other non-derivative financial liabilities	62,426	21,769	40,657
Financial liabilities	**379,284**	**21,769**	**357,515**
Other liabilities and deferrals	76,271	9,504	66,767
Prepayments received	491,337	109,543	381,794
Non-financial liabilities	**567,608**	**119,047**	**448,561**
Total Trade accounts payable, other liabilities and deferrals and other financial liabilities	**946,892**	**140,816**	**806,076**

	31.12.2023		
In EUR thousand	Total	Non-current	Current
Trade accounts payable	337,724	0	337,724
Other non-derivative financial liabilities	95,095	56,808	38,287
Financial liabilities	**432,819**	**56,808**	**376,011**
Other liabilities and deferrals	69,104	6,896	62,208
Prepayments received	492,784	111,230	381,554
Non-financial liabilities	**561,888**	**118,126**	**443,762**
Total Trade accounts payable, other liabilities and deferrals and other financial liabilities	**994,707**	**174,934**	**819,773**

As of 31 December 2024, there were liabilities to related parties, see Note 34.

EUR 806,076 thousand (prior year: EUR 819,773 thousand) of the liabilities are due within the next twelve months. Liabilities totalling EUR 140,570 thousand (prior year: EUR 174,849 thousand) are due within one and five years. EUR 246 thousand (prior year: EUR 85 thousand) is due after more than five years.

EUR 357,515 thousand (prior year: EUR 376,011 thousand) of the liabilities summarised under financial liabilities are due within one year and EUR 21,692 thousand (prior year: EUR 56,808 thousand) are due between one and five years. After more than five years, EUR 77 thousand (prior year: EUR 0 thousand) is due.

We provide the following breakdown of current trade accounts payable:

In EUR thousand	31.12.2024	31.12.2023
Liabilities to network operators, dealers, distributors, hardware manufacturers (mobile communications)	171,644	191,550
Liabilities to sales partners from contracts with customers	48,793	52,838
Obligations from distribution rights	30,814	30,599
Other	65,607	62,937
Total	**316,858**	**337,924**

The current other financial liabilities are made up as follows:

In EUR thousand	31.12.2024	31.12.2023
Personnel obligations	21,535	19,094
Refund liabilities	11,161	11,601
Other	7,961	7,592
Total	**40,657**	**38,287**

The non-current other financial liabilities break down as follows:

In EUR thousand	31.12.2024	31.12.2023
Liabilities to sales partners from contracts with customers	13,997	17,797
Obligations from earn-outs	7,742	7,612
Obligations from distribution rights	0	30,814
Other	30	585
Total	**21,769**	**56,808**

Obligations from earn-outs result from the right of non-controlling shareholders of Exaring to tender shares in Exaring to freenet AG at a fixed price within a certain period of time. The present value of the repayment amount of the liability is recognised in the other financial liabilities. In accordance with the present access method, the shares of non-controlling shareholders continue to be recognised in equity as non-controlling interests. Subsequent measurement of the liability is recognised directly in equity.

The current other liabilities and accruals break down as follows:

In EUR thousand	31.12.2024	31.12.2023
Deferred income from bonuses and commissions received from network operators	342,853	328,532
Liabilities from value added tax	29,745	31,410
Deferred income from customer credit balances, mobile communication	18,516	28,140
Liabilities to customers from contracts with customers	17,696	17,390
Other	39,751	38,290
Total	**448,561**	**443,762**

The non-current other liabilities and accruals break down as follows:

In EUR thousand	31.12.2024	31.12.2023
Deferred income from bonuses and commissions received from network operators	109,520	109,866
Liabilities to customers from contracts with customers	9,505	6,897
Other	22	1,363
Total	**119,047**	**118,126**

The freenet Group has been participating in a supplier financing agreement for some time. A long-standing trading partner of the freenet Group regularly generates commission claims through its activities. These resulting receivables from the freenet Group are transferred by the business partner to an open factoring programme of a bank. Details of this factoring agreement between the trading partner and the bank are unknown to the freenet Group. The bank discloses to the freenet Group on a monthly basis the amount of receivables purchased from the business partner. Subsequently, the freenet Group pays this amount directly to the bank with debt-discharging effect. All outstanding receivables of the trading partner from the freenet Group are recognised in the freenet Group's balance sheet as Trade accounts receivable, including the portion that has been purchased and disclosed by the bank in the meantime. Carrying amounts of the financial liabilities reported under trade accounts payable amounted to EUR 26.0 million as of 31 December 2024 (31 December 2023: EUR 22.2 million). This amount was purchased, disclosed and paid in full by the bank. Under this supplier financing agreement, the freenet Group has limited obligations to co-operate. In return, the payment term for payment of the commission is extended by around 30 days (all other liabilities to dealers have a payment term of up to 30 days). Upon termination of the factoring programme, this extension of the payment term could be cancelled again.

27 Current income tax liabilities

Current income tax liabilities include expected taxes paid for past financial years and for the current financial year from corporation and trade tax.

28 Financial liabilities and lease liabilities

The financial liabilities are structured as follows:

In EUR million	31.12.2024	31.12.2023
Non-current		
Liabilities from promissory note loans	223.0	250.1
Current		
Liabilities from promissory note loans	195.5	180.7
Total	**418.5**	**430.8**

In the 2024 financial year, three promissory note loan tranches from 2016 and 2020 totalling EUR 178.5 million were repaid in full. In addition, freenet AG successfully placed a promissory note loan with a total volume of EUR 100.0 million. The bullet financing instrument consists of two tranches totalling EUR 75.0 million (fixed margin of 4.05%, maturing in May 2027) and EUR 25.0 million (fixed margin of 3.92%, maturing in May 2028). In addition, the second tranche of the promissory note loan of EUR 65.0 million placed in the prior year was paid out in May 2024 (for details, see Note 28, Notes to the consolidated financial statements 2023).

The Group's lease liabilities are broken down by lease category as follows:

In EUR million	31.12.2024	31.12.2023
Non-current		
Site leases	107.1	150.7
Shops/stores	55.7	69.2
Co-location leases	29.8	39.8
Motor vehicles	3.6	3.9
Network infrastructure	4.8	5.2
Other	0.0	0.2
	201.0	**269.0**
Current		
Site leases	42.2	41.4
Shops/stores	15.3	18.5
Co-location leases	12.6	12.1
Motor vehicles	4.9	3.8
Network infrastructure	2.4	2.3
Other	0.1	0.2
	77.5	**78.3**
Total	**278.5**	**347.3**

Further disclosures in connection with IFRS 16 are presented in Note 2.5.

29 Pension provisions and similar obligations

The pension obligations are based on defined benefit and defined contribution plans. The pension benefit provided for is the payment of a lifelong retirement pension after reaching the age of 60 or 65 as well as a surviving dependant's benefit. The pension benefits are partly financed by a reinsured provident fund. All pension commitments are generally determined according to salary level and length of service with the company. The Executive Board commitments are fully funded. These are secured by a reinsured provident fund and a pledged reinsurance policy with a total fair value of EUR 25,223 thousand (31 December 2023: EUR 22,536 thousand).

The net liability recognised in pension provisions and in non-current other receivables and other assets is calculated as follows:

In EUR thousand	31.12.2024	31.12.2023
Present value of funded obligations	27,068	22,646
Present value of unfunded obligations	68,374	68,136
Present value of obligations	**95,442**	**90,782**
Fair value of plan assets	– 25,223	– 22,536
Net liability recognized	**70,219**	**68,246**

These obligations are predominantly expected to be fulfilled in the long-term. The development of the present value of funded and unfunded obligations is shown in the following table:

In EUR thousand	2024	2023
As of 1.1.	**90,782**	**81,144**
Current service cost	784	705
Gross interest expense	3,063	3,351
Employee contributions	1	3
Settlement of pension obligations	– 6	– 10
Benefit payments from plan assets	– 181	– 178
Actuarial losses/gains (–)		
thereof due to experience adjustments	3,531	992
thereof due to demographic parameter adjustments	0	0
thereof due to financial parameter adjustments	174	7,035
Subtotal: Actuarial losses/gains (–)	**3,705**	**8,027**
Payments made	– 2,706	– 2,260
As of 31.12.	**95,442**	**90,782**

The weighted average remaining term of the performance obligations as of 31 December 2024 is 18.4 years (prior year: 19.1 years) for the freenet programme, 12.7 years (prior year: 13.2 years) for the debitel programmes and 6.9 years (prior year: 7.2 years) for the Media Broadcast Group programmes.

The following amounts were recognised for the defined benefit plans for the current reporting period and previous reporting periods:

In EUR thousand	2024	2023	2022	2021	2020
Present value of funded obligation	27,068	22,646	19,359	31,362	32,568
Present value of unfunded obligation	68,374	68,136	61,785	84,940	88,484
Fair value of plan assets	– 25,223	– 22,536	– 22,257	– 20,037	– 17,544
Influence from the asset ceiling	0	0	1,974	0	0
Plan deficit	**70,219**	**68,246**	**60,861**	**96,265**	**103,508**
Experience adjustments of plan liabilities	3,531	992	212	9	35
Experience adjustments of plan assets	– 246	– 2,339	– 219	113	285

The plan assets consist of several reinsurance policies taken out by the provident fund set up for this purpose with a total fair value of EUR 25,223 thousand (31 December 2023: EUR 22,536 thousand). The reinsurance policies invest the plan assets in equity fund units or shares that are listed on an active market. There is no active market for the reinsurance policies. The development of the fair value is shown in the table below:

In EUR thousand	2024	2023
As of 1.1.	**22,536**	**22,257**
Interest on plan assets (through income statement, with standardised interest)	817	980
Differences between the expected and actual income from plan assets (recognised through other comprehensive income)	– 246	– 2,339
Benefit payments from plan assets	– 181	– 178
Employer contributions to plan assets	2,297	1,816
As of 31.12	**25,223**	**22,536**

The actual income from plan assets amounts to EUR 571 thousand (prior year expenses: EUR 1,359 thousand) and is calculated as the total of the calculated expenses or income on plan assets and the actuarial gains or losses.

For the 2025 financial year, freenet expects payments into the plan assets of EUR 845 thousand and payments for pensions of EUR 7,556 thousand. For the 2024 financial year, freenet had expected payments into the plan assets of EUR 845 thousand and payments for pensions of EUR 7,609 thousand.

The net liability recognised in pension provisions and in non-current other receivables and other assets developed as follows:

In EUR thousand	2024	2023
As of 1.1.	**68,246**	**60,861**
Current service cost	784	705
Net interest expense	2,246	2,371
Gains on the settlement of pension obligations	– 6	– 10
Subtotal: amount recognised in the consolidated income statement	**3,024**	**3,066**
Remeasurement		
Experience-based gains (–)/losses (+)	3,531	992
Gains (–) / losses (+) due to financial parameter adjustments	174	7,035
Income (–) / expenses (+) on plan assets not already included in net interest income	246	2,339
Influence from the asset ceiling	0	– 1,974
Subtotal: remeasurements recognised through other comprehensive income	**3,951**	**8,392**
Payments made	– 2,706	– 2,260
Employer contributions to plan assets	– 2,297	– 1,816
Employee contributions	1	3
As of 31.12	**70,219**	**68,246**

The following key actuarial assumptions were made:

In %	31.12.2024	31.12.2023
Discount rate (freenet, debitel programmes)	3.56	3.57
Discount rate (Media Broadcast Group programmes)	3.25	3.42
Future salary increases (debitel programme)	3.00	3.00
Future salary increases (Media Broadcast Group programmes)	2.50	2.50
Future pension increases (debitel programme)	2.25	2.25
Future pension increases (freenet programme)	2.20	2.20
Future pension increases (Media Broadcast Group programmes)	2.00	2.00

As in the prior year, the RT 2018G mortality tables by Dr Klaus Heubeck were used as the biometric basis.

The sensitivities of the present value of funded and unfunded obligations were calculated on the basis of actuarial reports. We provide the following information on this.

31.12.2024	Change in the present value of the obligations	
In EUR thousand	Rise	Decrease
Increase in the discount rate by 1.0 percentage points		10,403
Decrease of the discount rate by 1.0 percentage points	12,893	
Increase in future salary increases by 0.5 percentage points	306	

31.12.2024	Change in the present value of the obligations	
In EUR thousand	Rise	Decrease
Decrease in future salary increases by 0.5 percentage points		20
Increase in future pension increases by 0.25 percentage points	1,393	
Decrease in future pension increases by 0.25 percentage points		1,325
Life expectancy: age shift + 2 years	3,501	

31.12.2023	Change in the present value of the obligations	
In EUR thousand	Rise	Decrease
Increase in the discount rate by 1.0 percentage points		10,063
Decrease of the discount rate by 1.0 percentage points	12,493	
Increase in future salary increases by 0.5 percentage points	313	
Decrease in future salary increases by 0.5 percentage points		24
Increase in future pension increases by 0.25 percentage points	1,276	
Decrease in future pension increases by 0.25 percentage points		1,217
Life expectancy: age shift + 2 years	3,274	

The sensitivities were calculated on the basis of the same portfolio and using the same measurement method as the calculation of the scope of the obligation as of 31 December 2024, whereby one parameter was varied in each case and the other parameters were left constant. Any interdependencies between individual parameters that occur in practice were not taken into account.

30 Other provisions

The following table provides a breakdown of the changes in the carrying amounts of provisions:

In EUR thousand	1.1.2024 as reported	Retro-spective adjustments	1.1.2024 restated	Additions first con-solidation	Utiliza-tion	Reversal	Interest	Addition	31.12.2024	Non-current	Current
Other											
Contingent losses	784	0	784	0	152	73	103	1,803	**2,465**	1,313	1,152
Litigation	5,080	0	5,080	0	1,096	451	0	1,092	**4,625**	0	4,625
Asset retirement obligations	39,151	0	39,151	0	216	801	– 30	63	**38,167**	33,901	4,266
Warranty/ Guarantee	0	0	0	10	0	10	0	0	**0**	0	0
Storage costs	290	0	290	9	0	24	– 2	–17	**256**	256	0
Value added tax vis-à-vis tax authorities	0	12,991	12,991	0	0	0	0	94	**13,085**	0	13,085
Interest to tax authorities	0	12,526	12,526	0	0	0	0	1,997	**14,523**	12,410	2,113
Other	4,576	0	4,576	0	448	0	0	859	**4,987**	132	4,855
	49,881	**25,517**	**75,398**	**19**	**1,912**	**1,359**	**71**	**5,891**	**78,108**	**48,012**	**30,096**
Personnel											
Employee incen-tive programmes	31,286	3,329	34,615	0	10,990	0	0	12,118	**35,743**	24,366	11,377
Service anniversaries	1,093	0	1,093	0	164	463	0	620	**1,086**	947	139
Restructuring	253	0	253	0	188	0	0	5,230	**5,295**	0	5,295

In EUR thousand	1.1.2024 as reported	Retro-spective adjustments	1.1.2024 restated	Additions first con-solidation	Utiliza-tion	Reversal	Interest	Addition	31.12.2024	Non-current	Current
Other	220	0	220	0	236	0	– 12	73	**45**	31	14
	32,852	**3,329**	**36,181**	**0**	**11,578**	**463**	**– 12**	**18,041**	**42,169**	**25,344**	**16,825**
Total	**82,733**	**28,846**	**111,579**	**19**	**13,490**	**1,822**	**59**	**23,932**	**120,277**	**73,356**	**46,921**

Provisions for contingent losses at include expected vacancy costs for rented retail space and expected losses from tariffs with a negative margin. An outflow of assets in the amount of EUR 1,152 thousand is expected for 2025.

Provisions for litigation relate to the expected costs from various lawsuits against Group companies and other outstanding disputes with third parties. Materiality is attributable to Litigation with former trading partners and customers as well as intellectual property matters. The Group expects a complete outflow of assets in 2025. In order not to disclose the legal and negotiating positions prematurely and thus jeopardise them, no further details are provided in this regard.

Due to the acquisition of the Media Broadcast Group, the provision for Asset retirement obligations largely consists of obligations to dismantle radio infrastructure at numerous sites. The outflow of assets is expected to be EUR 2,830 thousand in 2025 and EUR 30,071 thousand in the years 2026 to 2032 following the expected expiry of the underlying rental agreements. There are further obligations to dismantle leasehold improvements at various technical and administrative locations and shops of the Group. The outflow of assets is expected to be EUR 1,436 thousand in 2025 and EUR 3,830 thousand in 2026 to 2037 following the expected expiry of the underlying rental agreements.

Provisions for value added tax payable to tax authorities and for interest payable to tax authorities are based on the company's estimates. The final assessments of the tax authorities may deviate from this.

Further details on the recognition of Provisions for Employee incentive programmes are documented in Note 25. Due to the discontinuation of Gravis' business operations in 2024, see also our comments on Note 36, the Provision for restructuring was increased to EUR 5,295 thousand at the end of the year. An outflow of assets is expected in full in 2025.

Anniversary provisions were recognised for which an outflow of assets of EUR 139 thousand is expected for the year 2025 and EUR 947 thousand for the years 2026 to 2044. The calculation of the anniversary provisions was based on an interest rate of 3.25% and an average term from the balance sheet date to payment of seven years.

The acquisition of the Media Broadcast Group also resulted in the assumption of obligations for semi-retirement and long-term work accounts. These obligations are offset against the fair values of the corresponding plan assets on each balance sheet date. As of 31 December 2024, the provisions before offsetting for Long-term work accounts amounted to EUR 3,578 thousand (prior year: EUR 3,387 thousand) and for semi-retirement EUR 0 thousand (prior year: EUR 0 thousand).

In EUR thousand	2024	2023
Long-term work accounts		
Obligation as of 1.1.	**3,387**	**3,558**
Payments from long-term work accounts	– 363	– 309
Personnel expenses	325	75
Interest income/interest expense	229	63
Obligation as of 31.12. before netting	**3,578**	**3,387**
Fair value of plan assets as of 1.1.	**6,000**	**5,495**
Income/loss on plan assets	330	505
Plan assets as of 31.12.	**6,330**	**6,000**

In EUR thousand	2024	2023
Semi-retirement		
Fair value of plan assets as of 1.1.	**1,053**	**1,021**
Loss on plan assets	46	32
Plan assets as of 31.12.	**1,099**	**1,053**

As of 31 December 2024, no provision amount remains as of 31 December 2023.

31 Other financial obligations, contingent liabilities and credit enhancements

At the end of the financial year, there were non-cancellable Maintenance, support and other obligations as well as order commitments in the following amounts:

In EUR thousand	31.12.2024	31.12.2023
Maintenance, support and other obligations		
Due within one year	46,294	44,771
Due within one and five years	131,361	127,624
Due after more than five years	180	31,199
	177,835	**203,594**
Order commitments		
Regarding intangible assets	0	366
Regarding property, plant and equipment	1,433	2,803
Regarding inventories, other supplies and services	1,527,390	123,905
	1,528,823	**127,074**
Total	**1,706,658**	**330,668**

As in 2023, the obligations from maintenance, support and other obligations mainly relate to contracts for the maintenance of IT hardware and databases, building technology, network infrastructure and the outsourcing of business processes in customer service.

Order commitments totalled EUR 96,323 thousand at the end of the financial year (prior year: EUR 127,074 thousand). Of this, EUR 1,433 thousand (prior year: EUR 3,169 thousand) is attributable to the procurement of fixed assets. There are further purchase obligations totalling EUR 1,527,390 thousand (prior year: EUR 123,905 thousand). These are mainly obligations from contracts with network operators.

Other contingent liabilities consist of letters of comfort and rental guarantees and totalled EUR 51,950 thousand as of the balance sheet date (prior year: EUR 38,069 thousand). The letters of comfort and rental guarantees are not expected to be utilised, as it is expected that the corresponding invoices will be paid in accordance with the contract or that the corresponding rental payments will be made regularly.

32 Notes to the consolidated cash flow statement

In the consolidated statement of cash flows, the disclosures are made for the Group as a whole.

Cash and cash equivalents consist of cash at bank, cheques and short-term money market instruments that can be liquidated at any time, as well as current financial liabilities, each with an original maturity of up to three months. The reported cash funds (31 December 2024: EUR 181.6 million, 31 December 2023: EUR 159.8 million) also include cash and cash equivalents from discontinuing operations Gravis (31 December 2024: EUR 4.1 million, 31 December 2023: EUR 0.9 million).

Cash flows are broken down into operating, investing and financing activities. The indirect presentation method was chosen for the presentation of the cash flow from operating activities.

The item “Increase in net working capital not attributable to investing or financing activities” includes the change in the balance sheet items “Trade accounts receivable”, “Other accounts receivable and other assets”, “Other financial assets”, “Inventories”, “Trade accounts payable”, “Other liabilities and deferrals”, “Other financial liabilities”, “Pension provisions”, “Other provisions” and the change in other assets and liabilities not attributable to investing or financing activities.

The alternative performance indicator “free cash flow” shows the amount of cash and cash equivalents generated that can be used, among other things, for the distribution of dividends or Repayment of financial liabilities. Accordingly, “Interest paid”, “Interest received”, “Cash inflows from the repayment of lease liabilities” are included in the cash flow from continuing operations and “Cash outflows for the repayment of lease liabilities” (as part of the cash flow from financing activities) are included in the calculation of free cash flow.

32.1 Cash flow from operating activities from continuing operations

Compared to the prior-year period, the cash flow from operating activities from continuing operations increased by EUR 3.3 million to EUR 406.3 million in the 2024 financial year (prior year restated: EUR 403.0 million). The increase is mainly due to the EUR 17.6 million rise in EBITDA in this period – this includes the cash proceeds from the first tranche of the IP address sale totalling EUR 18.4 million. By contrast, the EUR 8.3 million year-on-year increase in taxes paid (2024: EUR 38.5 million; prior year restated: EUR 30.2 million) and the EUR 6.8 million higher increase in contract acquisition costs including net working capital reduced the cash flow from continuing operations.

32.2 Cash flow from investing activities from continuing operations

The cash flow from investing activities from continuing operations totalled EUR –42.0 million in the 2024 financial year compared to EUR –51.1 million in the prior-year period. Net cash investments decreased by EUR 10.2 million to EUR 38.3 million, partly due to lower investments in Media Broadcast’s DAB+ broadcasting network compared to the previous year. Investments were financed entirely from own funds. In addition, there were cash outflows from the acquisition of SuperNova GmbH & Co. KG as of 1 January 2024 (EUR 6.5 million) and from contributions to the equity of Antenne Deutschland GmbH & Co. KG (EUR 5.4 million; prior year: EUR 2.9 million).

32.3 Cash flow from financing activities from continuing operations

The cash flow from financing activities from continuing operations developed from EUR –356.1 million in the prior year to EUR –300.0 million in the 2024 financial year. The payments in the 2024 financial year were attributable to the dividend distribution of EUR 210.4 million (or EUR 1.77 per share; prior-year period: EUR 199.7 million or EUR 1.68 per share), the repayment of three promissory note loan tranches with a nominal value of EUR 178.5 million (prior-year period: EUR 113.5 million, see Notes to the consolidated financial statements, Note 28) and the repayment of lease liabilities of EUR 75.7 million (prior-year period: EUR 77.9 million). In contrast, the Group received funds totalling a nominal amount of EUR 165.0 million in the 2024 financial year in connection with the issue of three promissory note loan tranches (prior year: EUR 35.0 million).

In the 2024 financial year, free cash flow from continuing operations totalled EUR 292.3 million, which corresponds to an increase of EUR 15.7 million compared to the prior year (EUR 276.6 million). The increase is mainly due to the sale of IP addresses totalling EUR 18.4 million.

32.4 Calculation of the underlying figure for the consolidated cash flow statement

The starting point of the cash flow statement is the EBIT of continuing operations and discontinuing operations. The derivation of this result from the consolidated income statement is shown below.

In EUR thousand	2024	2023 restated
Earnings before income taxes	345,208	231,066
Financial result	30,324	25,207
Earnings before interest and taxes (EBIT)	**375,532**	**256,273**

32.5 Reconciliation of liabilities from financing activities

The following reconciliation statement shows the liabilities from financing activities for the period from 1 January to 31 December 2024:

		Cash-effective changes				Non-cash changes		
In EUR thousand	1.1.2024	Repayment of financial debt	Raising financial debt	Repayment of leasing liabilities [1]	Interest paid [2]	Interest expense	Other changes [3]	31.12.2024
Non-current financial liabilities	250,109		164,488				– 191,621	222,976
Current financial liabilities	178,491	– 178,500					191,850	191,841
Current financial liabilities from interest accruals	2,235				– 13,882	15,373		3,726
Liabilities from finance leases (incl. from discontinuing operations Gravis)	347,240			– 82,245	– 11,157	11,157	13,496	278,491
Non-current other financial liabilities	30,814						– 30,814	0
Total liabilities from financing activities	**808,888**	**– 178,500**	**164,488**	**– 82,245**	**– 25,039**	**26,530**	**– 17,089**	**697,033**

1 In addition to the repayment of lease liabilities of the continuing operations (EUR 75.7 million), this also includes the repayment of lease liabilities of the discontinuing operations Gravis (EUR 6.5 million)
2 Interest payments in connection with financial liabilities and leases from continuing and discontinuing operations amount to EUR 25.0 million. In addition, further interest payments for taxes, interest on arrears and the like totalling EUR 0.9 million are included in the item “interest paid” within cash flow from continuing operations and discontinuing operations
3 This includes non-cash changes such as reclassifications, additions and disposals as well as other changes related to leases

Liabilities from financing activities for the period from 1 January 2023 to 31 December 2023 are as follows (table restated)

In EUR thousand	1.1.2023	Cash-effective changes: Repayment of financial liabilities	Raising financial debt	Repayment of lease liabilities [1]	Repayment of other financ. liabilities	Interest paid [2]	Non-cash changes: Interest expense	Other changes [3]	31.12.2023
Non-current financial liabilities	393,437		34,972					– 178,300	250,109
Current financial liabilities	113,455	– 113,500						178,536	178,491
Current financial liabilities from interest accruals	2,668					– 13,592	13,159		2,235
Liabilities from finance leases (incl. from discontinuing operations Gravis)	418,553			– 82,740		– 11,157	11,157	11,427	347,240
Non-current other financial liabilities	61,413				– 30,940		341		30,814
Total liabilities from financing activities	**989,526**	**– 113,500**	**34,972**	**– 82,740**	**– 30,940**	**– 24,749**	**24,657**	**11,663**	**808,888**

[1] In addition to the repayment of lease liabilities of the continuing operations (EUR 77.9 million), this also includes the repayment of lease liabilities of the discontinuing operations Gravis (EUR 4.8 million).
[2] Interest payments in connection with financial liabilities and leases from continuing and discontinuing operations amount to EUR 24.7 million. In addition, further interest payments for taxes, interest on arrears and the like totalling EUR 0.5 million are included in the item “interest paid” within cash flow from continuing operations and discontinuing operations
[3] This includes non-cash changes such as reclassifications, additions and disposals as well as other changes related to leases

33 Information on financial instruments

33.1 Disclosures pursuant to IFRS 7

This section provides an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items containing financial instruments.

We provide the following information on the financial instruments held by the Group as of 31 December 2024 and 31 December 2023:

Financial instruments by category as of 31 December 2024

In EUR thousand	Measurement category in accordance with IFRS 9	Carrying amount of balance sheet	Measurement			Fair value of financial instruments
		31.12.2024	Amortised acquisition costs	Fair value recognised in profit or loss	Fair value recognised through other comprehensive income	31.12.2024
Assets						
Cash/liquid assets	AC	181,590	181,590			–[1]
Trade accounts receivable		381,352				
At amortised cost	AC	381,352	381,352			–[1]
Other financial assets		178,324				
Lease receivables	n/a	26,059				
Other securities	n/a	3,851				
Non-derivative financial assets						
At amortised cost	AC	12,878	12,878			–[1]
Other financial assets						
At amortised cost	AC	46,746	46,746			–[1]
Other equity instruments						
At fair value through profit or loss	FVTPL	2,198		2,198		–[1]
At fair value through other comprehensive income	FVOCI	86,592			86,592	86,592
Equity and liabilities						
Lease liabilities	n/a	278,941				
Trade accounts payable	AC	316,858	316,858			
Financial liabilities		418,543	418,543			414,400
Financial liabilities from promissory notes	AC	414,817	414,817			
Other financial liabilities	AC	3,726	3,726			
Other financial liabilities		62,426				
At amortised cost	AC	54,684	54,684			
Obligations from earn-outs	AC	7,742	7,742			–[1]
Thereof aggregated by IFRS 9 measurement category						
Assets						
At amortised cost	AC	622,566	622,566			–[1]
At fair value through profit or loss	FVTPL	2,198		2,198		–[1]
At fair value through other comprehensive income	FVTOCI	86,592			86,592	86,592
Equity and liabilities						
At amortised cost	AC	797,827	797,827			414,400[1]

[1] No fair value was determined for the items, but the carrying amounts represent a reasonable approximation of the fair value

Financial instruments by category as of 31 December 2023 (restated)

In EUR thousand	Assessment category according to IFRS 9	Carrying amounts Balance sheet	Measurement			Fair value of financial instruments
		31.12.2023	Amortised acquisition costs	Fair value recognised in profit or loss	Fair value recognised through other comprehensive income	31.12.2023
Assets						
Cash/liquid assets	AC	159,815	159,815			– [1]
Trade accounts receivable		357,498				
At amortised cost	AC	357,498	357,498			– [1]
Other financial assets		197,414				
Lease receivables	n/a	37,429				
Other securities	n/a	3,666				
Non-derivative financial assets						
At amortised cost	AC	21,955	21,955			– [1]
Other financial assets						
At amortised cost	AC	46,544	46,544			– [1]
Other equity instruments						
At fair value through profit or loss	FVTPL	2,027		2,027		– [1]
At fair value through other comprehensive income	FVOCI	85,793			85,793	85,793
Equity and liabilities						
Lease liabilities	n/a	347,240				
Trade accounts payable	AC	337,724	337,724			
Financial liabilities		430,835	430,835			
Financial liabilities from promissory notes	AC	428,600	428,600			419,039
Other financial liabilities	AC	2,235	2,235			
Other financial liabilities		95,095				
At amortised cost	AC	87,483	87,483			
Obligations from earn-outs	AC	7,612	7,612			– [1]
Thereof aggregated by IFRS 9 measurement category						
Assets						
At amortised cost	AC	585,812	585,812			– [1]
At fair value through profit or loss	FVTPL	2,027		2,027		– [1]
At fair value through other comprehensive income	FVTOCI	85,793			85,793	85,793
Equity and liabilities						
At amortised cost	AC	863,654	863,654			419,039 [1]

[1] No fair value was determined for the items, but the carrying amounts represent a reasonable approximation of the fair value

The fair value of cash and cash equivalents, trade accounts receivable, other current financial assets and other current financial liabilities corresponds approximately to the carrying amount. This is due to the short remaining terms of these financial instruments.

The fair values of non-current trade accounts receivable and other financial assets with remaining terms of more than one year correspond to the present values of the payments associated with the assets, taking into account the respective interest parameters. Other equity instruments, at fair value through profit or loss, are not listed shares. Due to their insignificance, it is assumed that the fair value of these shares corresponds to amortised cost.

At fair value through other comprehensive income, the Group recognises the market value in an active market as the fair value. Other equity instruments relate to the investment in Ceconomy (carrying amount as of 31 December 2024: EUR 86.0 million) and securities to hedge pension obligations. The fair value of the current financial liabilities corresponds to the carrying amounts due to their maturity. The fair value of non-current financial liabilities exceeds the carrying amounts as of 31 December 2024 by EUR 0.8 million (prior year: EUR 9.6 million). This difference resulted from the assessment of the promissory note loans at fair value; this was determined on the basis of current estimates of the company's own credit risk and the interest rate level on the measurement date.

The following overview shows the main parameters on which the assessment of financial instruments recognised at fair value and the assessment of financial instruments recognised at fair value in accordance with IFRS 7 are based. The individual levels are defined as follows in accordance with IFRS 13:

- Level 1:

Unchanged adoption of prices from active markets (Deutsche Börse AG, Frankfurt Stock Exchange) for identical financial assets or financial liabilities.

- Level 2:

Use of inputs other than quoted prices included within Level 1 that are observable for the financial asset or financial liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3:

Use of input factors not based on observable market data for the assessment of the financial asset or financial liability (unobservable input factors). As in the prior year, there were no transfers between the individual levels in the 2024 financial year. A transfer between the levels would have taken place at the end of the financial year.

Fair value hierarchy as of 31 December 2024

In EUR thousand	Total	Level 1	Level 2	Level 3
Assets				
Other equity instruments, at fair value through profit or loss	2,198	0	0	2,198
Other equity instruments, at fair value through other comprehensive income	86,592	86,592	0	0
Equity and liabilities				
Financial liabilities from promissory notes	414,400	0	414,400	0
Obligations from earn-outs within other financial liabilities	7,742	0	0	7,742

Fair value hierarchy as of 31 December 2023 (restated)

In EUR thousand	Total	Level 1	Level 2	Level 3
Assets				
Other equity instruments, at fair value through profit or loss	2,027	0	0	2,027
Other equity instruments, at fair value through other comprehensive income	85,793	85,793	0	0
Equity and liabilities				
Financial liabilities from promissory notes	419,039	0	419,039	0
Obligations from earn-outs within other financial liabilities	7,612	0	0	7,612

The following table shows the changes to level 3 instruments for the 2024 financial year:

In EUR thousand	1.1.2024	Additions	Disposals	31.12.2024
Assets				
Other equity instruments, at fair value through profit or loss	2,027	170	0	2,197
Equity and liabilities				
Obligations from earn-outs within other financial liabilities	7,612	130	0	7,742

There was no reclassification in level 3 in the 2024 financial year and there were no effects on earnings from market changes.

The following net gains/losses were recognised for the individual categories of financial instruments in the 2024 financial year and in the prior year:

Net gains/losses by measurement category 2024

	From Interest	From subsequent measurement			From disposals	Net result
In EUR thousand		At fair value through other comprehen-sive income	At fair value, recognised in the income statement	Value adjustment/ losses on receivables		
Assets measured at amortised cost (AC)	6,759	0		– 12,816		– 6,057
Assets measured at fair value through profit or loss (FVTPL)	0		– 3,309		1,318	– 1,991
Assets measured at fair value through other comprehensive income (FVTOCI)	0	8,698				8,698
Liabilities measured at amortised cost (AC)	– 15,801	0				– 15,801
Total	**– 9,042**	**8,698**	**– 3,309**	**– 12,816**	**1,318**	**– 15,151**

Net gains/losses by measurement category 2023 (restated)

	From Interest	From subsequent measurement			From disposals	Net result
In EUR thousand		At fair value through other comprehen-sive income	At fair value, recognised in the income statement	Value adjustment/ losses on receivables		
Assets measured at amortised cost (AC)	6,360	0		– 10,764		– 4,404
Assets measured at fair value through profit or loss (FVTPL)	– 357		– 3,547		1,556	– 2,348
Assets measured at fair value through other comprehensive income (FVTOCI)	0	16,869				16,869
Liabilities measured at amortised cost (AC)	– 13,447	0				– 13,447
Total	**– 7,444**	**16,869**	**– 3,547**	**– 10,764**	**1,556**	**– 3,330**

Net gains or losses from assets measured at amortised cost include changes in loss allowances, gains and losses from derecognition as well as cash inflows and reversals of impairment losses from receivables originally written off.

Net gains or losses from the category of financial liabilities measured at amortised cost mainly include interest expenses to banks.

Information on interest income and interest expenses for financial assets and financial liabilities not measured at fair value through profit or loss is based on the application of the effective interest method.

Offsetting of financial assets and liabilities 2024

31.12.2024 In EUR thousand	Gross amount before offsetting	Offsetting amounts	Net amount in the balance sheet	Fair value of financial collateral	Total-net amount
Financial assets					
Trade accounts receivable	502,615	121,263	381,352		381,352
Other financial assets	182,168	3,844	178,324		178,324
Total	**684,783**	**125,107**	**559,676**	**0**	**559,676**
Financial liabilities					
Trade accounts payable	438,121	121,263	316,858	4,018	312,840
Other financial liabilities	66,004	3,578	62,426		62,426
Other provisions	120,543	266	120,277		120,277
Total	**624,668**	**125,107**	**499,561**	**4,018**	**495,543**

Offsetting of financial assets and liabilities 2023 (restated)

31.12.2023 In EUR thousand	Gross amount before offsetting	Offsetting amounts	Net amount in the balance sheet	Fair value of financial collateral	Total-net amount
Financial assets					
Trade accounts receivable	472,545	115,047	357,498		357,498
Other financial assets	200,801	3,387	197,414		197,414
Total	**673,346**	**118,434**	**554,912**	**0**	**554,912**
Financial liabilities					
Trade accounts payable	452,771	115,047	337,724	4,018	333,706
Other provisions	114,966	3,387	111,579		111,579
Total	**567,737**	**118,434**	**449,303**	**4,018**	**445,285**

Trade accounts receivable from network operators (e.g. from bonuses, commissions) are netted against trade accounts payable and other liabilities to the same network operators in the 2024 financial year. As of 31 December 2024, the netting amount was EUR 121.3 million (31 December 2023: EUR 115.0 million). The conditions for offsetting are met – as the various claims and obligations to two network operators were assessed in the course of this process, with the result that, with insignificant exceptions, there is essentially a single large, credit service relationship with these network operators. Based on an agreement with a network operator to adjust payment conditions, monthly advance payments are made for the mobile services provided by the network operator. These are netted on the balance sheet date and offset in the following month. In addition to the netting amounts totalling EUR 125.1 million, there is a long-term security deposit of EUR 4.0 million. The acquisition of the Media Broadcast Group in 2016 also resulted in the assumption of obligations for semi-retirement and long-term work accounts, among other things. These obligations are offset against the fair values of the corresponding plan assets at each balance sheet date. For more information, please also refer to our references to Note 30, other provisions.

33.2 Principles and objectives of financial risk management and capital risk management

With regard to its assets, liabilities and planned transactions, the freenet Group is subject in particular to market risks, liquidity risks and default risks.

The target of financial risk management is to monitor these risks on an ongoing basis and to limit them through operational and financial activities.

The basic principles of the financial policy, the components of which are explained below, are determined by the Executive Board. In addition, certain financial transactions require the prior approval of the Executive Board.

The Group Treasury department provides services to the business divisions and coordinates additions to the financial markets. It also monitors and manages the market and liquidity risks associated with the Group's business divisions through regular internal risk reporting, which analyses risks according to degree and scale. The top priority for the Group Treasury department is the principle of risk minimisation; another important target is the optimisation of net interest income. Prudent liquidity management controlled by the Group Treasury department includes maintaining a sufficient reserve of liquid assets, the possibility of financing through an adequate amount of committed credit lines and the ability to close out open market positions. Liquidity risks are reduced by permanently monitoring the financial status and maintaining sufficient reserves in the form of credit lines.

The Group Treasury department is responsible for monitoring the default risks of major debtors (in particular distributors, dealers and other B2B partners) and for regular internal risk reporting on these risks. Receivables from end customers are monitored by the Receivables Management department. One of its main objectives is to minimise expenses arising from defaults or loss allowances on receivables from end customers and sales partners.

The Group's capital risk management relates to the equity recognised in the consolidated balance sheet and the key figures derived from it.

The primary target of the Group's capital risk management is to monitor the key figures (financial covenants) stipulated in the loan agreements, the non-fulfilment of which could, under certain circumstances, result in the loans falling due immediately. The freenet Group controls capital risk management using the equity ratio and the leverage. The equity ratio represents the ratio of equity to total assets and was above the target of 25.0% as of 31 December 2024 (31 December 2024: 44.4%; prior year's reporting date: 42.1%). The leverage (31 December 2024: 0.9; prior year's reporting date: 1.2) is derived from the ratio of net financial liabilites to EBITDA generated in the last twelve months. Net financial liabilites are defined as financial liabilities from the balance sheet, less liquid assets and plus net lease liabilities.

As of 31 December 2024, all key figures in the covenants have been met. All other restrictions agreed in the loan agreements (so-called "undertakings" and "covenants") were also complied with as of the balance sheet date. The main financial covenants are defined in relation to the Group's debt.

In order to actively manage the capital structure, management can sell assets to reduce debt and take other actions such as issuing new shares.

The following information on the individual risks is based on information as submitted to the Executive Board.

33.3 Market risk

The activities of our Group are primarily exposed to financial risks from changes in interest rates and exchange rates.

33.3.1 Interest rate risk

The liabilities reported under financial liabilities result from five promissory note loans (reported as of 31 December 2024 with a total balance of EUR 418.4 million (prior year: EUR 430.8 million) – of which EUR 144.1 million is attributable to the tranches with variable interest rates). In addition, the Group has a revolving credit line totalling EUR 250.0 million (prior year: EUR 300.0 million), which has a term of five years and was again undrawn at the end of the year (an interest rate of 3.6% would have applied if it had been drawn as of 31 December 2024).

As of 31 December 2024, the Group had interest-bearing financial liabilities of EUR 418.5 million (prior year: EUR 430.8 million), of which EUR 144.2 million were subject to variable interest rates as of the reporting date. The Group is exposed to interest rate risks in this regard. Interest rate risks are not explicitly hedged; however, the balance of cash and cash equivalents (which are mainly invested at variable interest rates) acts as a natural hedge and reduces the interest rate risk from variable-interest financial liabilities accordingly.

Based on the daily liquidity planning available to it, the Group Treasury department continuously reviews the various investment options for cash and cash equivalents as well as the various disposition options with regard to financial liabilities. Changes in market interest rates could have an impact on the net interest income from primary variable-interest financial instruments and are included in the calculation of earnings-related sensitivities.

The Group uses a sensitivity analysis to present market risks, which shows the impacts of interest rate changes on earnings and equity.

The periodic impacts are determined by relating the hypothetical changes in the risk variables to the portfolio of financial instruments as of the reporting date.

Current and non-current financial liabilities as of 31 December 2024 include liabilities of EUR 418.5 million (prior year: EUR 430.8 million), thereof EUR 144.2 million (prior year: EUR 222.5 million) with variable interest rates. The variable-interest bank liabilities bore interest at 4.0% as of the reporting date. EUR 195.6 million of the current financial liabilities as of 31 December 2024 are reported under current liabilities. EUR 3.7 million thereof is accrued for expected payments of accrued interest, EUR 191.8 million of which is earmarked for the repayment of financial liabilities in 2025. As of 31 December 2024, the variable portion of the loans bears interest in a corridor of 3.6% to 4.3%. Based on market estimates, we expect a corridor of between 3.5% and 4.3% for the variable portion in 2025. This would result in interest payments totalling EUR 13.1 million on the total financial liabilities in 2025. From the net position of variable interest-bearing assets and liabilities (EUR 44.2 million) that were not assessed at fair value, a parallel shift in the yield curve upwards by 50 basis points would have a pre-tax earnings effect of EUR –0.2 million (prior year: EUR –0.6 million), while a shift in the yield curve downwards by 50 basis points would have a pre-tax earnings effect of EUR +0.2 million (prior year: EUR +0.6 million).

Interest rate risk is negligible for the other interest-bearing assets and liabilities.

Changes in interest rates only affect fixed-interest financial instruments if they are recognised at fair value. Financial liabilities of freenet are therefore not exposed to any Interest rate risk as they are recognised at amortised cost.

33.3.2 Foreign currency risk

The Group conducts transactions in foreign currencies to a limited scope. Currency hedging is generally carried out by concluding forward exchange transactions or, if necessary, by maintaining cash holdings in foreign currency.

33.3.3 Price risk

There are only a few assets or investments in the Group that are exposed to price risk (such as shares in Ceconomy).

IFRS 7 requires disclosures on how hypothetical changes in risk variables impacts the prices of financial instruments. In particular, stock market prices or indices are possible risk variables. If Ceconomy’s share price had been 10% higher or lower as of 31 December 2024, the fair value would have been EUR 8.6 million higher or lower (31 December 2023: EUR 8.1 million higher or lower). Furthermore, the Group considers the price risk to be of negligible significance.

33.4 Liquidity risk

The Group's liquidity risk is that the company may not be able to fulfil its financial obligations, e.g. repayment of financial liabilities, payment of purchase obligations and obligations from leasing contracts.

Extensive financial planning tools are used throughout the Group to monitor and manage liquidity. Various planning horizons extending up to one year are considered. Short-term liquidity planning and management is carried out on a daily basis for the next three months in advance. This planning is updated daily by the Group Treasury department in coordination with Accounting and Controlling on the basis of actual data.

The Group continues to manage liquidity risks by maintaining adequate bank balances, credit lines with banks and by continuously monitoring the forecast and actual cash flows. The maturity profiles of financial assets and liabilities are also reconciled. The Group utilises a wide range of different financing instruments to reduce liquidity risk.

On the basis of several existing Group-internal cash pooling agreements in which the freenet Group's materiality companies participate, the need for and installation of cash and cash equivalents in the Group are managed centrally.

The Group expects to be able to fulfil its other obligations from operating cash flows and from the inflow of maturing financial assets.

As of the balance sheet date, the Group had not utilised the revolving credit line of EUR 250.0 million (prior year: EUR 300.0 million). The company is permitted to borrow outside of the credit agreements within narrow limits, for example to finance future strategic investments.

Securities (money market funds and bonds held in the custody account) can be liquidated within a short period of time. There is no intention to sell the investments. In the event of a necessary sale of these investments, liquidation at short notice may be more difficult as there is no organised capital market for these shares.

The Group's financial and operational room for manoeuvre is restricted by certain provisions of the loan agreements. These impose restrictions on the company, for example, in the event of changes to the Group's business activities, the implementation of structural measures within the Group under company law, the provision of collateral and with regard to any acquisitions and disposals of assets, in particular shareholdings. The following tables show the contractually agreed undiscounted interest and redemption payments of the Group's primary financial liabilities at the end of the 2024 and 2023 financial years:

Financial liabilities 31.12.2024

In EUR thousand	Carrying amounts	Cash flows 2025			Cash flows 2026			Cash flows 2027 and later		
	31.12.2024	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment
Trade accounts payable	316,858			316,858						
Financial liabilities (liabilities to banks)	418,543	6,567	6,527	195,567	4,474	4,669	123,141	4,996	2,129	99,835
Other non-derivative financial liabilities	62,426			40,657			7,742			14,027
Lease liabilities	278,491	8,280		77,513	5,836		66,594	9,727		134,384

Financial liabilities 31.12.2023

In EUR thousand	Carrying amounts	Cash flows 2024			Cash flows 2025			Cash flows 2026 and later		
	31.12.2023	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment	Interest fixed	Interest variable	Repay-ment
Trade accounts payable	337,724			337,724						
Financial liabilities (liabilities to banks)	430,835	2,699	9,120	180,726	2,557	5,084	191,671	458	1,841	58,438
Other non-derivative financial liabilities	95,095			38,287			56,569			239
Lease liabilities	347,240	9,613		78,274	6,876		73,903	15,622		195,063

33.5 Default risk

The Group takes into account the probability of default at the time of initial recognition of assets and the existence of a significant increase in the default risk during the reporting periods. In order to assess whether the default risk has increased significantly, the default risk with regard to the asset on the reporting date is compared with the default risk at the time of initial recognition. Available, appropriate and reliable forward-looking information is taken into account. In this context, please refer to the explanations on the impairment model in accordance with IFRS 9 under Note 2.7.7, Impairment of financial assets, and Note 21, receivables, other assets and other financial assets.

Trade accounts receivable from end customers and lease receivables are the focus of the freenet Group's analysis of default risks. We refer here to our comments on Note 21, receivables, other assets and other financial assets. In our Group's bulk business, particular attention is paid to the creditworthiness of customers and sales partners. Credit checks are carried out on customers for material contractual customer areas before contracts are concluded.

In the ongoing contractual relationship, the implementation of a rapid and regular dunning and debt collection process with several debt collection companies in benchmarking and long-term debt collection monitoring as well as high-spender monitoring in our Group are key actions to minimise the risk of default.

There is also an ongoing dunning and collection process for receivables from dealers and franchise partners as well as other business customers. Credit limits are also set and monitored. If necessary, reaching the limit leads to a delivery block.

In addition, significant credit default risks relating to major customers (dealers and distributors in the Mobile Communications segment) are covered by trade credit insurance. In order to minimise the credit default risk, the Group has insured a certain proportion of these revenues. Every month, the Group Treasury department reports the current revenues of the respective major customer to the insurance company. In connection with this report, the insurance company calculates the sales volume to be insured. Risks relating to uninsured customers are limited by an internal limit system – as a rule, customers with a poor credit rating have to pay in advance or the business relationship does not materialise. Default risks vis-à-vis end customers are not covered.

When determining the recoverability of trade accounts receivable, every change in creditworthiness from the time the payment term was granted until the balance sheet date is taken into account. There is no significant concentration of credit default risk, as the customer base is broad and there are no correlations.

Appropriate loss allowances are recognised to take account of default risks. Receivables and other assets are derecognised if the Group considers the receivable to be uncollectible.

Securities and cash and cash equivalents are mainly invested with major German banks. The spread across various banks significantly limits the default risk. Installations are constantly monitored by the Group Treasury department with regard to their current and expected future returns.

34 Related party transactions

34.1 Overview

The following material transactions took place between the Group and related parties:

In EUR thousand	2024	2023
Revenue attributable to billing of services		
Joint ventures		
Antenne Deutschland GmbH & Co. KG, Garching	10,627	8,837
Associated companies		
Bayern Digital Radio GmbH, Munich	495	533
Non-consolidated companies		
Hessen Digital Radio GmbH, Frankfurt	1,232	1,120
Total	**12,354**	**10,490**

In EUR thousand	2024	2023
Expenses from the purchase of services		
Joint ventures		
Antenne Deutschland GmbH & Co. KG, Garching	0	8
Associated companies		
ad.audio GmbH, Hamburg	228	427
Bayern Digital Radio GmbH, Munich	555	561
Non-consolidated companies		
Hessen Digital Radio GmbH, Frankfurt	73	37
Total	**856**	**1,033**

As of 31 December 2024, there were the following material receivables from and liabilities to related parties:

In EUR thousand	31.12.2024	31.12.2023
Receivables from current transactions		
Joint ventures		
Antenne Deutschland GmbH & Co. KG, Garching	6	11
Total	**6**	**11**

In EUR thousand	31.12.2024	31.12.2023
Liabilities from current service transactions		
Associated companies		
ad.audio GmbH, Hamburg	0	15
Total	**0**	**15**

Workers' representatives on the Supervisory Board were granted total benefits from their employment contracts totalling EUR 426 thousand in the 2024 financial year (prior year: EUR 445 thousand).

All transactions were based on market prices. There is no collateral.

34.2 Remuneration of key management personnel: Executive Board remuneration

Remuneration of the members of the Executive Board of the company as key management personnel in the reporting year and the prior year was made up as follows:

Expense 2024 according to IAS 24.17

In EUR thousand	Fixed benefits and fringe benefits	One-year variable benefits	Total benefits currently due	Share-based remuneration	Benefits after termination of the employment relationship	Total benefits
Christoph Vilanek	1,218	734	1,952	2,509	0	4,461
Ingo Arnold	637	367	1,004	1,491	100	2,595
Stephan Esch	519	294	813	1,291	0	2,104
Rickmann v Platen	516	340	856	1,405	100	2,361
Antonius Fromme	508	340	848	1,405	100	2,353
Nicole Engenhardt-Gillé	303	168	471	359	59	889
Total	**3,701**	**2,243**	**5,944**	**8,460**	**359**	**14,763**

Expenses 2023 (restated) in accordance with IAS 24.17

In EUR thousand	Fixed benefits and fringe benefits	One-year variable benefits	Total benefits currently due	Share-based remuneration	Benefits after termination of the employment relationship	Total benefits
Christoph Vilanek	1,015	781	1,796	3,705	0	5,501
Ingo Arnold	636	407	1,043	1,475	100	2,618
Stephan Esch	516	325	841	918	0	1,759
Rickmann v Platen	512	378	890	1,747	100	2,737
Antonius Fromme	508	378	886	1,742	100	2,728
Nicole Engenhardt-Gillé	303	186	489	304	59	852
Total	**3,490**	**2,455**	**5,945**	**9,891**	**359**	**16,195**

The share-based remuneration relates to Long-term variable benefits (LTIP). Please refer to our comments on the LTIP programmes in Note 25.1 (Programme 3), 25.2 (Programme 4) and 25.3 (Programme 5) of these Notes.

As of 31 December 2024, the provisions for the LTIP Programmes 3, 4 and 5 totalled EUR 29,765 thousand (prior year restated: EUR 32,294 thousand).

Executive Board benefits within the meaning of Section 314 (1) no. 6 HGB totalled EUR 98,739 thousand in 2024 (prior year: EUR 7,853 thousand). In addition to remuneration for short-term benefits, this includes share-based remuneration from the granting of the 2024/2027 tranche of the LTIP Programme 5 in the amount of EUR 2,795 thousand (prior year: share-based remuneration in the amount of EUR 1,908 thousand from the granting of the 2023/2026 tranche of the LTIP Programme 5). In 2024, the members of the Executive Board were granted a total of 102,775 virtual shares from the 2024/2027 tranche of LTIP Programme 5 (prior year: 76,716 virtual shares from the 2023/2026 tranche of LTIP Programme 5).

There are pension obligations of EUR 13,160 thousand (prior year: EUR 12,832 thousand) for former members of the Executive Board, which are offset by asset values from reinsurance policies totalling EUR 12,140 thousand (prior year: EUR 11,809 thousand). Total benefits for former members of the Executive Board and their surviving dependants amounted to EUR 181 thousand (prior year: EUR 193 thousand).

No loans were granted to any of the Executive Board members and no guarantees or other warranties were assumed for any of the Executive Board members.

34.3 Remuneration of key management personnel: Supervisory Board remuneration

The remuneration of the Supervisory Board, which is regulated in the Articles of Association and will apply from 1 January 2021, is made up of three components:

- Base remuneration,
- Attendance fees and
- Remuneration depending on membership and chairmanship of Supervisory Board committees.

The members of the Supervisory Board receive a fixed base remuneration of EUR 50,000 from the company for each full financial year of membership of this body.

The Chairman of the Supervisory Board receives double and the Deputy Chairman one and a half times the base remuneration.

Each Supervisory Board member receives an additional attendance fee of EUR 1,000 for each meeting of the Supervisory Board or its committees that they have attended. Remuneration is only paid once for several meetings on one day.

Members of the Audit Committee receive additional annual remuneration of EUR 15,000 each for their membership of this committee. Members of other committees – with the exception of the mediation committee – receive additional annual remuneration of EUR 10,000 per committee for their membership of the committee. The committee chairperson receives twice this amount. Remuneration for chairmanship and membership of committees is only payable if the committees meet at least once in the relevant financial year to fulfil their duties.

Members of the Supervisory Board are also reimbursed for their necessary expenses.

The remuneration regulations applicable from 1 January 2021 stipulate that the total remuneration of a Supervisory Board member may not exceed EUR 160 thousand per year (maximum remuneration).

34.3.1 Remuneration for the 2024 and 2023 financial year

No loans were granted to any of the Supervisory Board members and no guarantees or other warranties were assumed for any of the Supervisory Board members.

Individualised figures for the last two financial years are shown in the following tables. It should be Noted that the format of the figures may result in arithmetical rounding differences in the subtotals and final totals, as the figures have been rounded to one decimal place.

Remuneration for the 2024 financial year

In EUR thousand	Base remuneration	Attendance fees	Committee remuneration	Exceedance maximum remuneration	Total
Active members					
Knut Mackeprang [1]	75.0	17.0	20.0	0.0	112.0
Claudia Anderleit [1]	50.0	15.0	10.0	0.0	75.0
Marc Tüngler	100.0	18.0	60.0	– 18.0	160.0
Robert Weidinger	50.0	8.0	40.0	0.0	98.0
Sabine Christiansen	50.0	16.0	20.0	0.0	86.0
Theo-Benneke Bretsch [1]	50.0	6.0	10.0	0.0	66.0
Prof Dr Kerstin Lapotta	50.0	8.0	15.0	0.0	73.0
Thomas Karlovits	50.0	6.0	10.0	0.0	66.0
Miriam Wohlfarth	50.0	4.0	0.0	0.0	54.0
Frank Suwald [1]	50.0	7.0	15.0	0.0	72.0
Petra Winter [1]	50.0	8.0	15.0	0.0	73.0
Tobias Marx [1]	50.0	4.0	0.0	0.0	54.0
Total	**675.0**	**117.0**	**215.0**	**– 18.0**	**989.0**

[1] Employee representatives in accordance with section 7 (1) clause 1 no. 1 MitbestG of 4 May 1976

Remuneration for the 2023 financial year

In EUR thousand	Base remuneration	Attendance fees	Committee remuneration	Total
Active members				
Knut Mackeprang [1]	75.0	10.0	20.0	105.0
Claudia Anderleit [1]	50.0	8.0	10.0	68.0
Marc Tüngler	100.0	11.0	40.0	151.0
Robert Weidinger	50.0	10.0	30.0	90.0
Sabine Christiansen	50.0	9.0	10.0	69.0
Theo-Benneke Bretsch [1]	50.0	7.0	10.0	67.0
Prof. Dr. Kerstin Lapotta	50.0	10.0	15.0	75.0
Thomas Karlovits	50.0	7.0	10.0	67.0
Miriam Wohlfarth	50.0	5.0	0.0	55.0
Frank Suwald [1]	31.2	6.0	9.3	46.5
Petra Winter [1]	31.2	6.0	9.3	46.5
Tobias Marx [1]	31.2	4.0	0.0	35.2
	618.6	**93.0**	**163.6**	**875.2**
Former members				
Thomas Reimann [1]	19.0	4.0	5.7	28.7
Bente Brandt [1]	19.0	4.0	5.7	28.7
Gerhard Huck [1]	19.0	2.0	0.0	21.0
	57.0	**10.0**	**11.4**	**78.4**
Total	**675.6**	**103.0**	**175.0**	**953.6**

[1] Employee representatives in accordance with section 7 (1) clause 1 no. 1 MitbestG of 4 May 1976

Total benefits granted to members of the Supervisory Board within the meaning of IAS 24.17 and Section 314 (1) No. 6 HGB totalled EUR 989.0 thousand in the 2024 financial year (prior year: EUR 953.6 thousand).

35 Company acquisitions

On 21 December 2023, the Group concluded a purchase agreement for the acquisition of all shares and voting rights in SuperNova GmbH & Co. KG, Cologne (hereinafter referred to as SuperNova). The acquisition was completed on 4 January 2024, giving the Group control over this subsidiary. The initial consolidation in the freenet Group took place from 1 January 2024 for reasons of simplification. In the 2024 financial year, SuperNova was merged with SuperNova GmbH as part of the merger of its general partner with Super Nova GmbH, Cologne.

SuperNova's business activities essentially consist of advising wholesalers and retailers in the telecommunications industry, representing their interests vis-à-vis manufacturers and network operators and advising on and implementing marketing measures in the telecommunications sector.

A fixed cash purchase price of EUR 6,500 thousand was agreed.

The purchase price allocation carried out in these consolidated financial statements with regard to the acquisition of SuperNova in accordance with IFRS 3 is final in nature.

The following overview provides information on the assets and liabilities of SuperNova recognised at fair value at the time of initial consolidation:

Assets and liabilities of Super Nova at fair value as of 1 January 2024

Assets		Equity and liabilities	
In EUR thousand	1.1.2024	In EUR thousand	1.1.2024
Non-current assets		**Current liabilities**	
Intangible assets	1,171	Trade accounts payable	347
goodwill	5,247	Other liabilities and accruals and other financial liabilities	218
	6,418	Current income tax liabilities	558
Current assets			**1,123**
Trade accounts receivable	1,078		
Other receivables, other assets and other financial assets	111		
Cash and cash equivalents	16		
	1,205		
Total	**7,623**	**Total**	**1,123**

The purchase price allocation results in goodwill of EUR 5,247 thousand from the difference between the purchase price of EUR 6,500 thousand and the net assets at fair value of EUR 1,253 thousand. This goodwill is mainly attributable to future earnings opportunities in the mobile communications business, which largely relate to the economic benefits from the integration of the SuperNova business model into the freenet Group. The goodwill has been allocated to the "mobile communications" cash-generating unit and is tax-deductible. In our Segment reporting, SuperNova is categorised in the Mobile Communications segment. In addition to goodwill, intangible assets totalling EUR 1,161 thousand were recognised in the purchase price allocation. These are fully attributable to customer relationships with a useful life of 42 months. The subsequent amortisation of these intangible assets will result in scheduled amortisation of EUR 332 thousand per financial year. The fair value of the acquired receivables (including other receivables, other assets and other financial assets) amounted to EUR 1,188 thousand as of 1 January 2024 (gross receivables of EUR 1,189 thousand less loss allowances of EUR 1 thousand). No contingent liabilities or transactions were identified that are to be recognised separately from the acquisition of the assets and the assumption of the liabilities.

The purchase price allocation was based on a valuation-relevant planning horizon of 42 months. A capital value-oriented method, the multi-period excess earnings method, was used to determine the fair value of the intangible assets (customer relationships) recognised as part of the purchase price allocation. In accordance with IFRS 13, the fair values of the customer relationships were calculated using a discounted cash flow method with the help of Level 3 input factors (unobservable parameters). This valuation technique is based on a cash flow forecast that a hypothetical market participant would assume.

SuperNova's contribution to the Group's external revenues and EBITDA from the time of its initial consolidation was insignificant.

36 Discontinuing operations

Due to an unprofitable earnings situation and a lack of positive future prospects, Gravis-Computervertriebsgesellschaft mbH, Berlin (hereinafter referred to as "Gravis") ceased operations on 30 June 2024. With 37 stores in Germany and several online shops, Gravis was a retailer and service provider specialising in the Apple product range. Gravis also operated a certified technical and repair service as well as personnel training in the use of the products on offer.

The activities of Gravis and certain business transactions directly related to the closure of Gravis in other Group companies of the freenet Group represent the discontinuing operations of Gravis within the meaning of IFRS 5.13 and IFRS 5.32, as Gravis is a separate, material business division as part of the Mobile Communications segment.

In the statement of comprehensive income for the 2024 financial year and, due to the retrospective adjustment, also for the same period of the previous year, the profit or loss after taxes of the discontinuing operations Gravis is recognised as a separate amount in the line "Consolidated profit from discontinuing operations".

The profit for the period of this discontinuing operations for the 2024 financial year and the prior year 2023 is broken down as follows:

In EUR thousand	2024	2023
Revenues	70,087	244,352
Other operating income	7,346	2,139
Materials expenses	– 65,755	– 214,106
Personnel expenses	– 26,717	– 19,903
Other operating expenses	– 9,440	– 13,121
Depreciation, amortisation and impairment	– 29,936	– 6,553
Financial result	– 652	– 1,231
Income taxes	4,254	81
Result from discontinuing operations	**– 50,813**	**– 8,342**

The result from discontinuing operations is fully attributable to the shareholders of the parent company.

As of 31 December 2024, Gravis reported lease liabilities of EUR 7.5 million, while its lease assets have already been impaired to 0 as part of an impairment test carried out in accordance with IAS 36. In the future, the company will continue to try to reduce its lease liabilities, for example by handing over the rental locations to third parties, reaching agreements with the landlords or concluding subleases, which could lead to the recognition of future other operating income, which would then also represent part of the result from discontinuing operations.

EUR 15.7 million of the personnel expenses of the discontinuing operations for the 2024 financial year are characterised by restructuring expenses for severance payments to employees, while the depreciation, amortisation and impairment losses for the 2024 financial year are significantly influenced by impairment losses of EUR 28.0 million, which represent the measurement effect in accordance with IFRS 5.33(b)(ii). They are mainly attributable to lease assets (EUR 17.9 million) and Internally generated software (EUR 6.7 million).

37 Disclosures pursuant to Section 315e HGB

In accordance with Section 314 (1) No. 8 HGB, we declare that the Declaration of Conformity pursuant to Section 161 AktG was issued by the Executive Board and Supervisory Board of the company on 17 December 2024. It was made available to shareholders on the company's website at fn.de/declarationofconformity made permanently accessible.

A total fee of EUR 1,498 thousand within the meaning of Section 314 (1) no. 9 HGB has been calculated for the auditor KPMG for the 2024 financial year. Of this amount, EUR 1,200 thousand relates to auditing services and EUR 284 thousand to other assurance services (such as the audit of the sustainability report and the remuneration report). An additional EUR 14 thousand is included for other services (GAP analyses of the governance system).

In accordance with section 313 (2) to (3) HGB, we provide the following overview:

	Share in capital in %
Fully-consolidated companies	
freenet Cityline GmbH, Hamburg	100.00
freenet.de GmbH, Hamburg	100.00
01019 Telefondienste GmbH, Hamburg	100.00
01024 Telefondienste GmbH, Hamburg	100.00
01050.com GmbH, Hamburg	100.00
freenet Datenkommunikations GmbH, Hamburg	100.00
freenet DLS GmbH, Büdelsdorf	100.00
freenet Logistik GmbH, Schleswig	100.00
MobilCom Multimedia GmbH, Schleswig	100.00
klarmobil GmbH, Hamburg	100.00
vitrado GmbH, Hamburg	100.00
freenet Direkt GmbH, Hamburg	100.00
freenet Energy GmbH, Berlin	100.00
SuperNova GmbH, Cologne (formerly: SuperNova Holding GmbH)	100.00
SuperNova GmbH & Co KG, Cologne [1]	100.00
freenet Shop GmbH, Oberkrämer	100.00
freenet Shopping GmbH, Hamburg	100.00
The Cloud Networks Germany GmbH, Munich	100.00
The Cloud Networks Nordic AB, Stockholm (Sweden)	100.00
Gravis-Computervertriebsgesellschaft mbH, Berlin	100.00
freenet digital Holdings Inc., Wilmington (USA)	100.00
freenet digital LLC, Wilmington (USA)	100.00
freenet digital North America Inc., Wilmington (USA)	100.00
EXARING AG, Munich	74.62
Synergy Networks GmbH, Munich	74.62
Taunus Beteiligungs GmbH, Cologne	100.00
Media Broadcast GmbH, Cologne	100.00
Field Service Germany FSD GmbH, Cologne	100.00
Media Broadcast TV Services GmbH, Cologne	100.00
audio.digital NRW GmbH, Cologne	100.00
Companies accounted for using the equity method	
Antenne Deutschland GmbH & Co. KG, Garching (joint venture)	50.00
Antenne Deutschland Verwaltungs GmbH, Garching (joint venture)	50.00
ad.audio GmbH, Hamburg (associate)	40.00
Bayern Digital Radio GmbH, Munich (associate)	45.00
Non-consolidated companies	
Hessen Digital Radio GmbH, Frankfurt	75.00

[1] First-time consolidation as of 1 January 2024 and accretion to SuperNova GmbH, Cologne, 2024

38 Events of material importance after the balance sheet date

There were no events of material importance after the balance sheet date for the freenet Group.

39 Development of intangible assets, goodwill and property, plant and equipment

Development of intangible assets, goodwill and property, plant and equipment as of 31 December 2024

In EUR thousand	Cost of purchased/manufactured goods							Depreciation, amortisation and impairment						Carrying amounts	
	1.1.2024	Additions consolidation circle	Additions	Reclassifi-cations	Disposals	Foreign currency	31.12.2024	1.1.2024	Additions [1]	Impair-ments losses [1]	Disposals	Foreign currency	31.12.2024	31.12.2024	1.1.2024
Intangible assets															
Internally generated software	205,713	0	23,540	0	12,474	0	216,779	135,910	16,266	7,094	12,313	0	146,957	69,822	69,803
Software, licenses and rights of use	90,176	9	1,550	50	17,743	0	74,042	41,774	28,258	9	17,736	0	52,305	21,737	48,402
Trademarks	341,368	0	0	0	0	0	341,368	336,512	673	0	0	0	337,185	4,183	4,856
Customer relationships	106,480	1,161	0	0	0	0	107,641	38,724	5,350	0	0	0	44,074	63,567	67,756
	743,737	**1,170**	**25,090**	**50**	**30,217**	**0**	**739,830**	**552,920**	**50,547**	**7,103**	**30,049**	**0**	**580,521**	**159,309**	**190,817**
Goodwill															
Goodwill	1,382,394	5,247	0	0	0	0	1,387,641	2,636	0	232	0	0	2,868	1,384,773	1,379,758
	1,382,394	**5,247**	**0**	**0**	**0**	**0**	**1,387,641**	**2,636**	**0**	**232**	**0**	**0**	**2,868**	**1,384,773**	**1,379,758**
Property, plant and equipment															
Land, property fixtures and buildings	45,487	0	42	430	311	0	45,648	19,828	1,292	156	286	0	20,990	24,658	25,659
Switches and networks	199	0	0	0	0	0	199	199	0	0	0	0	199	0	0
Technical equipment and machinery	228,402	0	7,085	906	14,641	– 29	221,723	161,927	18,302	255	14,469	– 15	166,000	55,723	66,475
Other operating and office equipment	46,050	0	10,294	3,066	12,356	– 6	47,048	15,937	12,927	3,345	12,171	– 6	20,032	27,016	30,113
Prepayments made and assets under construction	7,140	0	1,943	– 4,452	341	0	4,290	6	0	73	14	0	65	4,225	7,134
	327,278	**0**	**19,364**	**– 50**	**27,649**	**– 35**	**318,908**	**197,897**	**32,521**	**3,829**	**26,940**	**– 21**	**207,286**	**111,622**	**129,381**
Total	**2,453,409**	**6,417**	**44,454**	**0**	**57,866**	**– 35**	**2,446,379**	**753,453**	**83,068**	**11,164**	**56,989**	**– 21**	**790,675**	**1,655,704**	**1,699,956**

[1] Additions and impairments of EUR 83,574 thousand are attributable to continuing operations and EUR 10,658 thousand to discontinuing operations

Development of intangible assets, goodwill and property, plant and equipment as of 31 December 2023

In EUR thousand	Cost of purchased/manufactured goods						Depreciation, amortisation and impairment						Carrying amounts	
	1.1.2023	Additions	Reclassifica-tions	Disposals	Foreign currency	31.12.2023	1.1.2023	Additions [1]	Impair-ment [1]	Disposals	Foreign currency	31.12.2023	31.12.2023	1.1.2023
Intangible assets														
Internally generated software	186,152	23,308	0	3,747	0	205,713	124,227	15,126	0	3,443	0	135,910	69,803	61,925
Software, licenses and rights of use	93,317	1,658	0	4,799	0	90,176	16,050	30,100	423	4,799	0	41,774	48,402	77,267
Trademarks	341,368	0	0	0	0	341,368	237,374	99,138	0	0	0	336,512	4,856	103,994
Customer relationships	106,480	0	0	0	0	106,480	33,706	5,018	0	0	0	38,724	67,756	72,774
	727,317	**24,966**	**0**	**8,546**	**0**	**743,737**	**411,357**	**149,382**	**423**	**8,242**	**0**	**552,920**	**190,817**	**315,960**
Goodwill														
Goodwill	1,382,394	0	0	0	0	1,382,394	0	0	2,636	0	0	2,636	1,379,758	1,382,394
	1,382,394	**0**	**0**	**0**	**0**	**1,382,394**	**0**	**0**	**2,636**	**0**	**0**	**2,636**	**1,379,758**	**1,382,394**
Property, plant and equipment														
Land, property fixtures and buildings	45,316	242	0	71	0	45,487	18,740	1,147	0	59	0	19,828	25,659	26,576
Switches and networks	204	0	0	5	0	199	204	0	0	5	0	199	0	0
Technical equipment and machinery	221,032	10,746	2,449	5,846	21	228,402	147,707	19,123	741	5,740	96	161,927	66,476	73,325
Other operating and office equipment	42,940	12,630	622	10,145	3	46,050	13,090	12,819	41	10,016	3	15,937	30,112	29,850
Prepayments made and assets under construction	4,454	6,525	– 3,071	768	0	7,140	6	0	0	0	0	6	7,134	4,448
	313,946	**30,143**	**0**	**16,835**	**24**	**327,278**	**179,747**	**33,089**	**782**	**15,820**	**99**	**197,897**	**129,381**	**134,199**
Total	**2,423,657**	**55,109**	**0**	**25,381**	**24**	**2,453,409**	**591,104**	**182,471**	**3,841**	**24,062**	**99**	**753,453**	**1,699,956**	**1,832,553**

[1] Additions and impairments of EUR 184,955 thousand are attributable to continuing operations and EUR 1,357 thousand to discontinuing operations

Day of the installation

The Executive Board of freenet AG prepared the consolidated financial statements on 3 March 2025 and released them for submission to the Supervisory Board. The Supervisory Board has the task of examining the consolidated financial statements and declaring whether it approves the consolidated financial statements.

Büdelsdorf, 3 March 2025

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)