



**Annual Report
2025**

Facts & Figures

| Selected Performance Indicators | 2025 | 2024 | Change | Q4 2025 | Q4 2024 | Change | Q3 2025 | Q2 2025 | Q1 2025 |
|--|-------------------|-------------------|---------------|-------------------|-------------------|---------------|-------------------|-------------------|-------------------|
| Results (in €m) | | | | | | | | | |
| Revenues | 4,135.8 | 4,064.3 | 1.8% | 1,119.6 | 1,047.1 | 6.9% | 1,009.8 | 987.9 | 1,018.5 |
| Service revenues | 3,336.4 | 3,303.1 | 1.0% | 857.1 | 824.4 | 4.0% | 832.8 | 824.6 | 821.9 |
| Hardware and Other revenues | 799.4 | 761.2 | 5.0% | 262.5 | 222.7 | 17.9% | 177.0 | 163.3 | 196.6 |
| EBITDA | 537.5 | 590.8 | -9.0% | 127.7 | 127.8 | -0.1% | 125.9 | 128.0 | 155.9 |
| EBITDA segment Access | 786.8 | 856.1 | -8.1% | 175.8 | 226.0 | -22.2% | 196.5 | 191.6 | 222.9 |
| EBITDA segment 1&1 Mobile Network | -265.3 | -265.3 | 0.0% | -64.1 | -98.2 | -34.7% | -70.6 | -63.6 | -67.0 |
| EBITDA segment 1&1 Versatel | 16.0 | 0.0 | - | 16.00 | 0.00 | - | 0.00 | 0.00 | 0.00 |
| EBIT | 208.2 | 309.4 | -32.7% | 32.8 | 21.9 | 49.8% | 57.3 | 44.9 | 73.2 |
| EBIT excluding PPA write-offs | 266.8 | 366.5 | -27.2% | 32.8 | 36.2 | -9.4% | 71.4 | 66.2 | 96.4 |
| EBT | 178.0 | 305.2 | -41.7% | 18.9 | 18.7 | 1.1% | 51.9 | 39.4 | 67.8 |
| EBT excluding PPA write-offs | 236.6 | 362.3 | -34.7% | 18.9 | 32.9 | -42.6% | 66.0 | 60.6 | 91.1 |
| Profit per share (in €) | 0.94 | 1.21 | -22.3% | 0.31 | 0.10 | - | 0.21 | 0.15 | 0.27 |
| Profit per share excluding PPA write-offs (in €) | 1.17 | 1.43 | -18.2% | 0.31 | 0.15 | - | 0.26 | 0.24 | 0.36 |
| Cash flow (in €m) | | | | | | | | | |
| Net inflow of funds from operating activities | 604.3 | 311.4 | 94.1% | 171.5 | 177.5 | -3.4% | 203.2 | 185.7 | 43.8 |
| Net outflow of funds in investment sector | -798.8 | -180.8 | - | -125.1 | -107.1 | 16.8% | -194.9 | -159.3 | -319.6 |
| Free cash flow | 195.1 | 20.8 | - | -8.9 | -42.2 | -79.0% | 92.5 | 95.7 | 15.8 |
| | 31/12/2025 | 31/12/2024 | Change | 31/12/2025 | 31/12/2024 | Change | 30/09/2025 | 30/06/2025 | 31/03/2025 |
| Headcount (incl. management board) | | | | | | | | | |
| Total per end of December ¹ | 4,678 | 3,268 | 43.1% | 4,678 | 3,268 | 43.1% | 3,124 | 3,213 | 3,287 |
| Customer contracts (in millions) | | | | | | | | | |
| Access, contracts | 16.32 | 16.39 | -0.4% | 16.32 | 16.39 | -0.4% | 16.34 | 16.33 | 16.35 |
| of which mobile internet | 12.48 | 12.44 | 0.3% | 12.48 | 12.44 | 0.3% | 12.48 | 12.44 | 12.42 |
| of which broadband (ADSL, VDSL, FTTH) | 3.84 | 3.95 | -2.8% | 3.84 | 3.95 | -2.8% | 3.86 | 3.89 | 3.93 |
| Balance Sheet (in €m) | | | | | | | | | |
| Short-term assets | 1,899.6 | 1,844.0 | 3.0% | 1,899.6 | 1,844.0 | 3.0% | 2,169.4 | 2,183.5 | 2,177.9 |
| Long-term assets | 9,107.8 | 6,286.0 | 44.9% | 9,107.8 | 6,286.0 | 44.9% | 6,376.5 | 6,307.6 | 6,265.0 |
| Shareholders' equity | 5,995.5 | 6,094.0 | -1.6% | 5,995.5 | 6,094.0 | -1.6% | 6,198.9 | 6,161.9 | 6,142.5 |
| Balance sheet total | 11,007.4 | 8,130.1 | 35.4% | 11,007.4 | 8,130.1 | 35.4% | 8,545.9 | 8,491.1 | 8,442.9 |
| Equity ratio | 54.5% | 75.0% | | 54.5% | 75.0% | | 72.5% | 72.6% | 72.8% |

¹ Due to a change in the method of counting, the comparative figures for the previous year regarding staff numbers have been adjusted

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To Our Shareholders

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Letter from the Management Board

Dear shareholders,

2025 was a pivotal year for 1&1. We continued to invest in the expansion of our Mobile Network, and since December 2025, we have owned one of Germany's largest and most powerful fiber optic networks with the acquisition of 1&1 Versatel. This has further deepened our value creation and increased our independence.

While high-margin service revenue remained at the prior year's level as planned, EBITDA and the customer base declined.

Service revenue for the 2025 financial year stood at €3,336.4 million (2024: €3,303.1 million). This includes €29.8 million from 1&1 Versatel from December 2025.

Other revenue, which primarily consists of the front-loaded recognition of hardware sales (essentially subsidised smartphones, which are paid for by our customers over their minimum term of their contract in the form of higher package prices), increased to €799,4 million (2024: €761.2 million). This includes €10,4 million from 1&1 Versatel from December 2025.

Total revenue rose by 1.8 per cent to €4,135.8 million (2024: €4,064.3 million).

EBITDA decreased overall by 9.0 per cent to €537.5 million (2024: €590.8 million). This includes €16,0 million from 1&1 Versatel from December 2025. EBITDA in the Access segment fell by -8.1 per cent to €786.8 million (2024: €856.1 million), while EBITDA in the 1&1 Mobile Network segment stood at -€265.3 million, remaining in line with the prior year.

The decline in EBITDA within the Access segment resulted from increased cost of sales for National Roaming and a one-off item relating to a legal dispute.

The higher costs of National Roaming were due to the switch from Telefónica to Vodafone. The change of national roaming provider has no impact on EBIT but does affect EBITDA. This is because under the National Roaming arrangement with Telefónica, the costs were partially capitalised and depreciated as planned whereas under the agreement with Vodafone they are recognised in full in EBITDA. In addition, as reported during the year, there was an unexpected increase in the costs of National Roaming due to slower than expected capacity growth in the Vodafone network. Furthermore, following new developments in a legal dispute with Telefónica, the provision for a potential compensation payment was adjusted as a precautionary measure.

Despite an increase in cancellations due to the recently completed migration of customers to the 1&1 mobile network, the company added 40,000 mobile internet contracts, bringing the total number of contracts to 12.48 million as of December 31, 2025. Broadband lines decreased by 110,000 to 3.84 million contracts.

Earnings per share came to €0.94 (prior year: €1.21). Excluding PPA amortisation, earnings per share amounted to €1.17 (prior year: €1.43).

Free cash flow amounted to €195.1 million in 2025 (2024: €20.8 million). This improvement is primarily attributable to the discontinuation of advance payments made to Deutsche Telekom for VDSL/FTTH quotas until 2024. Capital expenditure on property, plant and equipment and intangible assets (Cash CapEx) amounted to €409.2 million (2024: €290.6 million). This includes €19,9 million from 1&1 Versatel from December 2025.

The construction of the 1&1 Mobile Network is one of the largest privately funded infrastructure projects in Germany. At the same time, the 1&1 O-RAN is Europe's first fully virtualised 5G network based on innovative Open-RAN-technology, setting a new technological benchmark in the European mobile communications landscape. The rapid innovation cycles, real-time capabilities and flexible selection of trusted partners within the 1&1 O-RAN are contemporary advantages that our competitors have now also recognised. They now endeavouring to transition their existing monolithic infrastructure to Open RAN.

We have already set a fast pace in 2025. On average, we were able to commission more than 300 antenna sites per quarter. Every 1&1 site is connected to fibre-optic cable without compromise, equipped with gigabit antennas and linked to the nearest of our more than 300 regional edge data centres, which we are establishing in parallel with the antenna locations to operate our cloud-native network.

Just two years after the launch of our mobile services, 1&1 O-RAN reached 27 per cent of German households in December. This enabled us to exceed the Federal Network Agency (BNetzA) requirement to cover one-quarter of households by the end of 2025. We intend to maintain this trajectory and continue to drive expansion forward. As the roll-out of our own antenna sites progresses, the national roaming wholesale services – which we are purchasing on an interim basis from Vodafone's antennas to provide nationwide coverage for our customers – will gradually decrease.

However, it wasn't just network expansion that saw significant progress. Last year, we completed the largest customer migration in German mobile communications history, thereby also fulfilling the requirement for "competitive independence" set by the Federal Network Agency. To achieve this, up to 50,000 customers who were previously served via wholesale agreements with other networks were migrated to the 1&1 Mobile Network daily – for most customers, this was a straightforward "over-the-air update" that was automatically overnight. Since November, all 1&1 mobile phone customers have been using our network for calls and data. All voice and data connections are processed in our high-performance core network, where we deliver key quality features such as a short call setup time, high voice quality, and rapid website loading.

In addition to these major milestones in the expansion and operation of the 1&1 mobile network, a clear strategic course was also set in 2025. To increase our added value and reduce dependencies, we have acquired all shares in 1&1 Versatel from our parent company United Internet AG. 1&1 Versatel operates one of Germany's largest fibre-optic networks, spanning more than 68,000 kilometres, along with hundreds of data centres operated by 1&1 Versatel, which support our mobile network in addition to fibre optic connections. In addition, the integration of the fibre optic provider specialising in corporate customers has enabled us to expand our company with a high-performance business customer division.

The roll-out of our innovative network is progressing with significant momentum; we have fully met the Federal Network Agency expansion obligations for the period up to the end of 2025. The task now is for the Federal Network Agency to establish further planning certainty for the operation of Germany's fourth mobile network and to ensure access to a balanced spectrum portfolio. The negotiations between 1&1 and the established mobile network operators, which were intended by the Federal Network Agency to facilitate the cooperative shared use of low-band frequencies, have been unsuccessful. Consequently, on 17 February 2026, the Federal Network Agency initiated a hearing concerning an order for the cooperative, shared use of frequencies below 1 GHz within the 1&1 Mobilfunk GmbH expansion areas.

For 30 years, 1&1 has been one of Germany's leading telecommunications providers, committed to promoting healthy competition through innovative and attractive offerings. We remain well-known for offering an excellent price-performance ratio. Of course, we do not rely on good offerings alone, quality and service remain our key differentiators.

1&1 achieved the highest levels of customer satisfaction for both internet connections and mobile communications in the renowned 2025 connect Customer Barometers. In addition to this strong result, we were once again pleased to receive top ratings in the fixed-network sector in 2025: In the fixed-network test conducted by IMTEST and zafaco, 1&1 emerged as the test winner among all nationwide and regional fixed-network providers after more than four million measurements. We achieved outstanding ratings for data transmission, browsing and streaming.

In the 2025 connect fixed-network test, 1&1 was awarded a "Very Good" rating and came out on top in the comprehensive check of fixed-network providers as the test winner in the private customer categories for both "Standard Users" and "Heavy Users".

The excellent quality of our customer service was also confirmed by independent tests in 2025. The experts at "connect" awarded our telephone customer service for landline and mobile communications the top rating of "very good" in hotline tests. But customers who prefer app-based customer service will also find first-class offerings at 1&1. In connect's service app test of mobile network operators, the 1&1 Control Center app was rated "outstanding." This impression is confirmed by the service app test conducted by the trade magazine

CHIP: Our app achieved a rating of "very good" and received the rating "best service" in the subcategory "service."

Just two years after the launch of mobile services, the quality of our 1&1 Mobile Network already achieved excellent results. In its initial assessment by connect, 1&1 achieved a "Very Good" grade at the first attempt. Connect based its valuation on a globally identical measurement procedure as a benchmark, taking into account the use of national roaming and the customer migration that was still ongoing during the test period. The individual assessment by IMTEST also confirms the high performance of the 1&1 Mobile Network. 1&1 ranks among the leaders compared with its competitors, particularly in the critical categories of stability, streaming, and browsing. We are delighted to reach an increasing number of people with our innovative 1&1 O-RAN and to make a tangible difference in the German mobile market.

As a result of the acquisition of 1&1 Versatel, we will report on two new segments starting in 2026: "Consumer & Small Business" will replace the previous "Access" segment, while "Enterprises & Networks" will combine the previous "1&1 Mobile Network" segment with the figures from 1&1 Versatel.

For the 2026 fiscal year, we expect service revenue to remain at the previous year's level of approximately €3.66 billion (2025, including FY 1&1 Versatel: €3.66 billion).

EBITDA is expected to increase to approximately €800 million (2025, including FY 1&1 Versatel: €689 million). We also anticipate continuing annual operating EBITDA growth of approximately €100 million for the years 2027 and 2028.

The investment volume (Cash CapEx) is expected to be between €500 and €550 million in 2026 (2025 including FY 1&1 Versatel: €652 million). For 2027 and 2028, we anticipate investments at a similar level.

In 2025, we laid a strong foundation for the continued successful development of the 1&1 Group, upon which we are consistently building. Our sincere thanks go to all our employees for their dedicated efforts, as well as to our shareholders and business partners for their continued trust and support.

Best regards from Montabaur



Ralph Dommermuth



Sascha D'Avis



Alessandro Nava

Montabaur, March 2026

The Management Board Members



Ralph Dommermuth, Chairman of the Board

Ralph Dommermuth, born in 1963, laid the groundwork for today's United Internet AG in 1988 when he founded 1&1 Marketing GmbH in 1988. Initially, he provided systematic marketing services to small software providers. Over time, he expanded these services to include marketing solutions for major clients such as IBM, Compaq, and Deutsche Telekom. With the rise of the internet, Ralph Dommermuth gradually phased out third-party marketing services to establish his own internet services and direct customer connections. In 1998, leveraging his background as a trained bank clerk, he took 1&1 public, making it the first internet company on the Frankfurt Stock Exchange. By 2000, Ralph Dommermuth restructured 1&1 into United Internet AG, transforming it into a leading European internet specialist. Since 1 January 2018, Mr Dommermuth has also been CEO of 1&1 AG.



Sascha D'Avis, Management Board Member

After completing his studies in Business Administration in 2001, Sascha D'Avis began his professional career in the Controlling department at Griesson - de Beukelaer. Since 2004, Mr D'Avis has held various leadership positions in the finance division of the 1&1 Group and has played a key role in supporting the Company's growth strategy, including the successful merger between 1&1 and Drillisch and its subsequent integration. Most recently, Mr D'Avis served as a Management Board Member (CFO) of 1&1 Telecommunication SE and CFO of 1&1 Mobilfunk GmbH. Since 1 January 2025, he has been a Management Board Member (CFO) of 1&1 AG.



Alessandro Nava, Management Board Member

Alessandro Nava completed his degree in Business Administration at Heinrich Heine University Düsseldorf in 1997, specialising in Marketing and Controlling. He began his professional career as a consultant at KPMG Consulting GmbH. In 2000, he joined Vodafone Germany (Vodafone GmbH), where he initially worked as a Senior Department Head in the fixed-line business before transitioning to a leadership role in the integrated fixed-line and mobile communications segment. Throughout his tenure, he held various key positions, including responsibility for IT requirements management & business analysis, customer support, and product development, as well as oversight of online platforms. Following the integration of Vodafone's fixed-line and mobile divisions, Mr Nava assumed responsibility for the Company's IT development. From March 2014 to August 2018, he has served as the Management Board Member for "Technology and Development" (CIO) at 1&1 Telecommunications SE. In September 2018, he took on additional responsibility for the "Product Management" division. Since 1 July 2019, Mr Nava has been a Management Board Member (COO) of 1&1 AG.

Supervisory Board Report

In the 2025 financial year, the Supervisory Board of 1&1 AG performed the duties incumbent upon it by law, the Articles of Association, the German Corporate Governance Code, and its own Rules of Procedure with care and diligence. It regularly advised the Management Board on the management of the Company and monitored its conduct of business. The Supervisory Board's advisory and oversight activities also included a particular focus on sustainability issues. The Supervisory Board was at all times able to determine the legality, expediency and correctness of the Management Board's work. The Supervisory Board was directly, promptly, and comprehensively involved in all decisions of fundamental importance to the Company. The Management Board regularly provided the Supervisory Board and the Audit and Risk Committee with detailed, timely, and comprehensive reports, both in writing and verbally – even between meetings – and covered all relevant issues concerning strategy and its associated opportunities and risks, corporate planning, the development and conduct of business, planned and ongoing investments, and the position of the Group, including the risk situation and risk management, the Internal Control System, and the Compliance Management System, which is aligned with the Company's risk profile. The Company's strategic orientation is determined by Management and Supervisory Boards in joint consultation. The Management Board submitted a comprehensive report on the course of business, including revenue development and profitability, the Company's position and its business policies to the Supervisory Board at quarterly intervals. The reports included as well information about any aberration in the course of business from planning. The Management Board's reports satisfied the requirements of legal statutes, good corporate governance and the instructions issued to it by the Supervisory Board with respect to both subject matter and scope. The reports were made available to all Supervisory Board members.

The Supervisory Board reviewed the reports submitted by the Management Board and all other information with respect to plausibility; the materials were the subject of intensive discussions, critical examination and in-depth questions. The Supervisory Board gave its consent to specific business transactions if and when this was required by legal statutes, by-laws or rules of procedure for the Management Board.

The Supervisory Board and the Audit and Risk Committee it appointed, received regular reports from the Management Board on the Group-wide Internal Control and Risk Management Systems, which also cover sustainability-related targets, as well as the Internal Audit system and the Compliance Management System. Following its own reviews and assessments conducted by the Audit and Risk Committee, the Supervisory Board concluded that the Internal Control System, Risk Management System, Internal Audit system, and Compliance Management System are appropriate and effective.

Supervisory Board members are responsible for obtaining the necessary training and professional development required for their duties. Upon appointment, as well as during ongoing training and development, the Company provides adequate support to the Supervisory Board members. In particular, new members receive a comprehensive onboarding programme upon joining the Supervisory Board of 1&1 AG, which includes

access to all necessary documents, explanations of practical and legal frameworks, and insights into specific corporate law matters.

In addition to the individual induction and professional development measures undertaken by members of the Supervisory Board, the Supervisory Board of 1&1 AG participated in a training session conducted by external experts in June 2025 regarding current developments in risk management. The objective of this event was to provide an overview of the systematic collection and analysis of Risk Management Systems (RMS) in German companies within the real economy, taking into account the requirements of IDW PS 981 and IDW PS 340 (revised).

Also, one member of the Supervisory Board underwent further training in the areas of CSRD/GCGC and Supervisory Board duties, NIS2 updates, strategic AI-transformation in companies, the EU-Taxonomy, and pCbCR-regulations.

Personnel changes on the Management Board and Supervisory Board

Following the departure of Mr Markus Huhn as of 31 December 2024, the Supervisory Board resolved unanimously to appoint Mr Sascha D'Avis as a further member of the Company's Management Board, effective 1 January 2025. Consequently, the Management Board consists of Mr Ralph Dommermuth (Chief Executive Officer), Mr Sascha D'Avis, and Mr Alessandro Nava.

There were no changes in the membership of the Supervisory Board during financial year 2025.

In the 2025 financial year, the Supervisory Board comprised six members in accordance with Section 96 (1) and Section 101 (1) of the German Stock Corporation Act [*AktG*] and Article 10 (1) of the Company's Articles of Association. The Board's competence profile meets its previous and current objectives; with Supervisory Board members Kurt Dobitsch, Norbert Lang, Matthias Baldermann, Friedrich Jousen, and Christine Schöne-
weis, there are at least five independent members on the Supervisory Board. The proportion of women on the Supervisory Board in financial year 2025 came to 16.66 per cent. The Chairman of the Supervisory Board in the reporting period 2025 was Mr Kurt Dobitsch, and Mr Norbert Lang was Deputy Chairman of the Supervisory Board. According to the Company's assessment, none of the Supervisory Board members hold executive or advisory positions at key competitors. Furthermore, there have been no indications of conflicts of interest involving any members of the Supervisory Board or Management Board. In one instance, preventive measures were taken to ensure that no conflict of interest could arise. In order to avoid any potential conflict of interest from the outset in connection with the sale of 1&1 Versatel GmbH by United Internet AG to 1&1 AG, Mr Ralph Dommermuth, in view of his positions as Chairman of the Management Board of both

United Internet AG and 1&1 AG, did not influence the decision-making process at either company and abstained from voting on all resolutions. The conflict of interest to be avoided and the precautionary measures taken were disclosed to the Supervisory Board.

Meetings and Key Topics

In addition to statutory regular reporting, the Supervisory Board conducted in-depth discussions and reviews of the following key topics in the financial year 2025:

- The Annual and Consolidated Financial Statements as of 31 December 2024
- Revenue and profit budget 2025 of the Company
- Planning of the investment projects in the corporate group for financial year 2025
- Status of the 1&1 Mobile Network
- Status of Rakuten negotiations
- Information on the voluntary public partial acquisition offer by United Internet AG and index exclusion
- Information regarding the ad-hoc announcement of 27 June 2025
- Acquisition of 1&1 Versatel from United Internet AG
- Self-assessment of the Supervisory Board of 1&1 AG
- The Supervisory Board's report to the Annual General Meeting for financial year 2025, the updating of the Declaration of Conformity pursuant to the German Corporate Governance Code, the Declaration on Corporate Management
- Invitation, agenda, and proposed resolutions for the 2025 Annual General Meeting
- The adoption of the resolution regarding the Management Board's proposed allocation of profits
- The proposal to the Annual General Meeting for the disbursement of dividends
- The audit planning and the quarterly reports of the Internal Audit

- Monitoring of the effectiveness of the implemented compliance system
- Quarterly reports on risk management and risk management strategy
- Monitoring of the effectiveness of the Internal Control System that has been implemented
- The 2024 Dependency Report; review and approval of the 2024 Dependency Report
- Corporate development during the year
- Review of the independence of PricewaterhouseCoopers GmbH and the acting individuals, taking into account additional services provided and the focal points of the audit
- Early reappointment of a member of the Executive Board and contract extension, including updating of the Declaration of Conformity 2025

In the financial year 2025, four regular Supervisory Board meetings were held, during which the Management Board provided the Supervisory Board with detailed information about the Company's economic position, business development, and significant business transactions, as well as other matters concerning the Management Board. The Supervisory Board has decided that part of the Supervisory Board meetings should regularly take place without the presence of the Management Board.

Three Supervisory Board meetings were held in Montabaur and one in Frankfurt, at which all six members of the Supervisory Board attended in person.

In addition to the ordinary meetings, two extraordinary meetings of the Supervisory Board were held to discuss and resolve matters that could not be deferred until the next ordinary meeting. Mr Vlasios Choulidis and Mr Friedrich Jousen were unable to attend the first extraordinary meeting. All members of the Supervisory Board participated in the second meeting via video conference.

Furthermore, individual resolutions of the Supervisory Board were adopted by written circular on the basis of written proposals for resolution submitted by the Management Board.

Activities of the Audit and Risk Committee

In the financial year 2025, the Audit and Risk Committee consisted of Mr Norbert Lang, Mr Kurt Dobitsch, and Mr Matthias Baldermann. Mr Norbert Lang continued to chair the committee.

The Audit and Risk Committee assists the Supervisory Board in monitoring the financial reporting process, including sustainability reporting and the integrity of the accounting process. It monitors the effectiveness and functionality of the Internal Control System, the Risk Management System, the Compliance Management System, and the Internal Audit system. Additionally, it oversees the audit of the financial statements, including audit fees and additional services performed by the auditor.

The Audit and Risk Committee deals intensively with the Annual and Consolidated Financial Statements and the Combined Management Report, including the Sustainability Statement for the Company and the Group, as well as the Management Board's proposal for the appropriation of net retained profits.

The committee is in charge of the tender process for the audit of the financial statements, specifically regarding compliance with formal requirements, the evaluation of tender bids, participation in applicant presentations, and the preparation of a recommendation to the Supervisory Board for the selection of the auditor.

Together with the Management Board and auditors, the committee discusses the assessment of audit risk, audit strategy, audit planning, audit execution, audit focus areas and methodologies, audit results, and audit reports – including aspects related to the Internal Control System concerning the financial reporting process – and provides recommendations to the Supervisory Board. The Audit and Risk Committee regularly consults with the external auditors without the presence of the Management Board. It regularly assesses the quality of the audit. Prior to publication, the quarterly statements and the half-yearly financial report are discussed with the Management Board.

Furthermore, the Audit and Risk Committee deals extensively with the Group-wide Internal Control System, Risk Management, Internal Audit System, and Compliance Management System. One of its key responsibilities is to review the adequacy and effectiveness of these systems.

The Audit and Risk Committee also prepares the Supervisory Board's deliberations and resolutions regarding the proposal to the Annual General Meeting for the election of the auditor and decisions on corporate governance topics. It resolves on the approval of material transactions with related companies and persons pursuant to Section 111b (1) AktG (so-called "Related Party Transactions").

In terms of specific content, the Audit and Risk Committee focused on the following in 2025:

- Supervisory Board Report
- Risk Management review
- The Corporate Governance Statement

- Annual and Consolidated Financial Statements, as well as the Management Report
- The status quo of the ICS development at 1&1
- The Corporate Audit Report
- The Compliance Report
- The report on the voluntary public partial acquisition offer by United Internet AG
- Cost calculation and development of Vodafone national roaming
- Presentations and explanations regarding the quarterly financial statements

The Chairman of the Audit and Risk Committee, Mr Norbert Lang, regularly reports to the full Supervisory Board on the committee's activities. In the event of significant incidents and findings of the Audit and Risk Committee, he notifies the Chairman of the Supervisory Board without delay.

The Audit and Risk Committee held five ordinary meetings and one extraordinary meeting in the 2025 financial year, all of which were attended by all members. The meetings of the Audit and Risk Committee were conducted as video conferences.

Corporate Governance

In accordance with Recommendation D. 12 of the German Corporate Governance Code (GCGC) [*Deutscher Corporate Governance Kodex; DCGK*], 1&1 AG provides appropriate support to members of the Supervisory Board during their induction and with their professional development and training measures.

To ensure successful onboarding, new members of the Supervisory Board receive all relevant documentation in the form of an introductory, individually compiled information package. Furthermore, an induction session is held to cover the most important processes and procedures, supplemented by personal coordination meetings with the Chairman of the Supervisory Board and the CFO.

Support for professional development and training is provided specifically through the regular and ad-hoc distribution of information materials on current topics, the opportunity to participate in external training events, and through internal presentations and reports from the specialist departments.

In line with Recommendation D.13 GCGC, the Supervisory Board as a whole, as well as the Audit and Risk Committee, regularly assesses the effectiveness of its activities. The review takes the form of a self-assessment based on questionnaires and is conducted approximately every two years. During the financial year, preparations were made to conduct a self-assessment in accordance with the GCGC. This assessment was carried out by means of a questionnaire; the results were evaluated anonymously and discussed in a plenary session. The results serve to ensure the continuous development of the work of the governing bodies. Any need for improvement identified during this process is addressed.

Moreover, the assessments are used as a basis for a positive further development of the Board's work.

The Supervisory Board did not conduct any talks with investors during the reporting period.

In accordance with Principle 23 GCGC, the Management Board and Supervisory Board report on corporate governance as part of the Corporate Governance Statement. The most recent joint Declaration of Conformity pursuant to Section 161 AktG was issued on 15 December 2025. In this declaration, it was confirmed that the recommendations of the GCGC are largely complied with. The declaration, along with explanations for any deviations, is permanently accessible on the Company's website. Further information is available in the 2025 Corporate Governance Statement.

Discussion of the Annual and Consolidated Financial Statements for 2025

The Annual and Consolidated Financial Statements as of 31 December 2025, prepared and submitted on schedule by the Management Board, the Management Report for the Company and the Group (including the explanatory report on the disclosures pursuant to Sections 289a (1) and 315a (2) HGB), the accounting records, and the Risk Management System were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft – appointed as auditor by the Annual General Meeting on 14 May 2025 – and were issued with unqualified audit opinions.

The Annual and Consolidated Financial Statements, the Management Report for the Company and the Group, and the corresponding audit reports by the auditor were submitted to all members of the Supervisory Board. When the audit mandate was awarded to the auditor, specific focus was placed on the Key Audit Matters (KAMs); for the Consolidated Financial Statements, these primarily comprised revenue recognition, acquisition of United Internet Management Holding SE, impairment testing for goodwill and spectrum licences, as well as the recognition and measurement of financial assets (HGB).

The financial statement documents were reviewed and discussed in detail at a meeting of the Supervisory Board on 17 March 2026 in the presence of the auditor. At that time, the auditor reported on the most significant results of its audit, explained the results and gave detailed answers to questions posed by the

Supervisory Board members. Subject matter of this discussion included in particular the results of the audit regarding the defined key audit matters and the accounting processes. The Internal Control System, the Risk Report, and the Risk Management System were discussed in depth. Regarding the system for the early detection of threats, the auditor determined that the Management Board had implemented the measures required pursuant to Section 91 (2) AktG, in particular with respect to the implementation of a monitoring system, in an appropriate manner and that the monitoring system was suitable to detect in good time any developments that might jeopardise the continued existence of the Company. Following its own audit, the Supervisory Board agreed with the audit results reached by the auditor and, after considering the final results of its own audit, does not raise any objections. At its meeting on 17 March 2026, the Supervisory Board formally approved the Annual and Consolidated Financial Statements for 2025. The Annual Financial Statements have been adopted pursuant to Section 172 AktG. Furthermore, the Supervisory Board approved the remuneration report adopted by the Management Board.

Review of the Management Board's report on relationships to affiliated companies

The Management Board submitted the report it had prepared on the relationships to affiliated companies (Dependency Report) for financial year 2025 to the Supervisory Board in good time.

The Management Board's report on the relationships to affiliated companies was the subject of the audit by the auditor. The following auditor's report was issued in this context:

"Following our conscientious audit and assessment, we hereby confirm that

- The factual contents of the report are correct,
- The performance of the Company was not unreasonably high in view of the legal transactions described in the report."

The auditor submitted the audit report to the Supervisory Board. The Supervisory Board reviewed the Management Board's Dependency Report and the audit report. The final review by the Supervisory Board took place during the Supervisory Board meeting on 17 March 2026. The auditor attended the meeting and reported on its audit of the Dependency Report and its key audit results, explained its audit report and answered questions about the report and the Sustainability Report from the Supervisory Board members. In accordance with the concluding results of its audit, the Supervisory Board accepts the Management Board's Dependency Report and audit report and does not have any objections to the Management Board's explanations at the conclusion of the report concerning the relationships to affiliated companies.

The Supervisory Board would like to thank the members of the Management Board and all employees for their once again successful commitment to the 1&1 Group during the 2025 financial year. Our special thanks go to our customers and shareholders for the trust they have placed in the Company.

Montabaur, 17 March 2026



On behalf of the Supervisory Board
Kurt Dobitsch

Supervisory Board Members in Financial Year 2025

- **Kurt Dobitsch**, Chairman of the Supervisory Board
(since 16 October 2017; Chairman of the Supervisory Board since 16 March 2021; member of "Audit and Risk Committee" since May 2021), member of supervisory bodies of various companies
- **Norbert Lang**
(since 12 November 2015, Deputy Chair of the Supervisory Board since 16 May 2023, Chair of the Audit and Risk Committee since May 2021), Entrepreneur
- **Matthias Baldermann**
(since 26 May 2021, Member of the Audit and Risk Committee since May 2023), Strategic Advisor
- **Vlasios Choulidis**
(since 12 January 2018), Entrepreneur
- **Friedrich Jousen**
(since 16 May 2023), Independent Advisor
- **Christine Schöneweis**
(since 16 May 2023), COO Intelligent Enterprise, Solutions (IES), Senior Vice President, SAP SE

Declaration on Corporate Governance

Principles of corporate governance

The corporate governance of 1&1 AG as a listed German stock corporation is determined by the relevant legal regulations as well as by the recommendations and suggestions of the German Corporate Governance Code (GCGC).

The term "corporate governance" represents responsible management and oversight geared towards sustainable value creation. Essential aspects of good corporate governance include efficient cooperation between the Management Board and the Supervisory Board, the protection of shareholder interests, and openness and transparency in corporate communications.

The Management Board and the Supervisory Board of 1&1 AG are committed to ensuring the continued existence of the Company and sustainable value creation through responsible, long-term corporate management. Ecological and social goals are given due regard as well.

In this Declaration on corporate governance, the Management Board and the Supervisory Board report on the statutory requirements under Section 289f HGB for the individual company and under Section 315d HGB for the Group, also in accordance with Principle 23 of the GCGC on the Company's corporate governance (Corporate Governance Report). This Corporate Governance Report is based on the current version of the GCGC dated 28 April 2022, which was published in the Federal Gazette on 27 June 2022.

Management and corporate structure

Consistent with its legal form, 1&1 AG has a two-tier management and supervisory structure with the governing bodies Management Board and Supervisory Board. The third governing body is the Annual General Meeting. All three bodies are obliged to act in the best interests of the Company.

Management Board

Working methods of the Management Board

The Management Board is the managing body of the Group. In the 2025 financial year, the Management Board consisted of three members (Mr Ralph Dommermuth, Mr Sascha D'Avis, and Mr Alessandro Nava).

For initial appointments, a term of office of three years is generally considered. The Supervisory Board decides on the appropriate term of appointment on a case-by-case basis within the legally permissible framework; appointments exceeding a period of five years are not made.

The Management Board conducts the Company's affairs in accordance with statutory provisions and the articles of association, the rules of procedure adopted by the Supervisory Board and the pertinent recommendations of the German Corporate Governance Code insofar as no exceptions have been declared in accordance with Section 161 AktG.

The Management Board is responsible for preparing the interim and Annual Financial Statements and for filling key personnel positions in the Company. Moreover, it systematically defines and analyses the risks and opportunities for the Company associated with social and environmental factors along with the ecological and social impacts of the Company's activities. In addition to long-term economic goals, the corporate strategy also gives appropriate consideration to ecological and social goals. Corporate planning includes both the financial and sustainability-related targets. Further information on sustainability can be found on the Company's website: <https://www.1und1.ag/the-company#nachhaltigkeit>.

Decisions of fundamental importance require the approval of the Supervisory Board. The Management Board reports to the Supervisory Board in accordance with the legal provisions of Section 90 AktG and provides the Chairman of the Supervisory Board with an overview of the current status of the relevant reporting items at least once a month orally and also, at the request of the Chairman of the Supervisory Board, in writing. The chairman or spokesperson of the Management Board or the chief financial officer informs the Chairman of the Supervisory Board without delay of any important events that are of significance for the assessment of the situation, development and the management of the Company. Any significant deviation from the Company's budgetary planning or other forecasts is also considered to be an important event. The Chairman of the Management Board or the chief financial officer also informs the Chairman of the Supervisory Board (in advance if possible, otherwise immediately thereafter) of any ad hoc announcement of the Company pursuant to Art. 17 of the Market Abuse Regulation [MAR].

There is an age limit of 70 for the members of the Management Board. This requirement is currently met without exception.

The Management Board has overall responsibility for the management of the Company's business in accordance with uniform objectives, plans and guidelines. The Management Board's overall responsibility notwithstanding, each and every member of the Management Board acts on their own responsibility in the purview assigned to him/her, but is required to subordinate the interests of their purview to the overall good of the Company.

The allocation of duties within the Management Board is regulated by the Supervisory Board in a business allocation plan proposed by the Management Board.

The Management Board members inform one another about important events within their purviews. Matters of major importance that are not approved in the budget must be discussed and decided by a minimum of two members of the Management Board, one of whom must be the chief financial officer.

Irrespective of their responsibility to their own purviews, all members of the Management Board constantly monitor the events and data that are decisive for the course of business of the Company so that they are able to work at any and all times towards the prevention of impending harm and the implementation of desirable improvements or expedient changes by addressing the full Management Board or in any other appropriate manner.

The full Management Board adopts decisions regarding any and all matters of particular importance and scope for the Company or its subsidiaries and its participating interests. The Management Board as a whole adopts its decisions by a simple majority of votes. In the event of a tie, the Chairman of the Board casts the deciding vote. Management Board decisions are recorded in the minutes of the meeting.

The full Management Board meets every fortnight as a rule; further meetings are convened as required by circumstances.

Each member of the Management Board is required to disclose any conflicts of interest to the Supervisory Board and the Chairman of the Management Board without delay and as appropriate to the other members of the Management Board as well.

During the reporting period and at present, the members of the Management Board did not, and do not, hold any supervisory board mandates in other listed companies outside the Group or comparable positions, and accordingly do not hold the position of Chairman of the supervisory board in any such companies.

Composition of the Management Board

The Management Board of 1&1 AG consisted of the following members in the financial year 2025:

- Ralph Dommermuth, Chair of the Board (since January 2018)
- Alessandro Nava, Chief Operations Officer (since July 2019)
- Sascha D'Avis, Chief Financial Officer (since January 2025)

Supervisory Board

Working methods of the Supervisory Board

The Supervisory Board elected by the Annual General Meeting consisted of six members in financial year 2025. As a rule, the term of office of the Supervisory Board members is 5 years.

The Supervisory Board maintains regular contact with the Management Board and monitors and advises the Management Board in the management of the business and of the risks and opportunities of the Company in accordance with statutory provisions, the articles of association, the rules of procedure and the pertinent recommendations of the German Corporate Governance Code (insofar as no exception has been declared in accordance with Section 161 AktG). Its duties specifically encompass the areas of sustainability, compliance, and information security.

At regular intervals, the Supervisory Board discusses with the Management Board any and all questions of strategy and its implementation, planning, business development, risk situation, risk management and compliance that are relevant to the Company. It discusses quarterly releases and semi-annual reports with the Management Board prior to their publication and approves the annual budget. Annual planning includes the annual financial plan, which consists of detailed revenue, cost, and earnings planning, as well as liquidity and annual investment planning. It reviews the Annual and Consolidated Financial Statements and approves them, provided there are no objections to be raised. Its review takes into account the audit reports of the auditor.

The Supervisory Board's remit also includes the appointment of Management Board members and the determination of Management Board remuneration, as well as the regular review thereof. These reviews are conducted in compliance with the applicable legal provisions and the recommendations of the German Corporate Governance Code, except where a deviation has been declared pursuant to Section 161 AktG.

When appointing Management Board members, the Supervisory Board strives for a diversified and mutually complementary membership that can offer the best possible service to the Company and carefully considers long-term succession planning. Above all, professional experience, industry expertise, and both technical and personal qualifications play a vital role here.

As part of long-term succession planning, the Supervisory Board, in conjunction with the Management Board, regularly considers highly qualified executives who may be viewed as potential candidates for Management Board positions.

The Supervisory Board as a whole along with the Audit and Risk Committee regularly conducts an efficiency review within the framework of a self-assessment. In accordance with Recommendation D.12 GCGC, Supervisory Board and the Committee assess how effectively they each fulfil their duties as a body. The review takes the form of a self-assessment based on questionnaires and is conducted approximately every two years.

During the 4th quarter of 2025, the Supervisory Board, with the participation of all members and the chairman, conducted its self-assessment for the 2025 financial year. The primary focus included expectations, time commitment, composition, independence, remuneration matters, and accounting issues.

The Supervisory Board concluded that professional cooperation within the body, as well as trust-based collaboration with the auditor, the Management Board, and the various corporate divisions, remains well-established.

The most recent self-assessment of the Audit- and Risk Committee was conducted in the 4th quarter of 2024. It encompassed topics such as the committee's working methods, size, and structure, cooperation with the auditor, the management of conflicts of interest, remuneration matters, and accounting issues.

The results of the assessment are evaluated anonymously and subsequently discussed in a plenary session. Any identified need for improvement is addressed and implemented during the year. The next self-assessment of the Audit and Risk Committee is expected to take place in 2026.

The continued efficiency of the activities performed by the Supervisory Board and the Audit and Risk Committee is expected.

Members of the Supervisory Board undertake the professional development and training measures required for the performance of their duties on their own responsibility, supported appropriately by the Company. Details of these measures are provided in the Report of the Supervisory Board to the Annual General Meeting.

A meeting of the Supervisory Board is convened at least twice in every calendar half-year. Meetings of the Supervisory Board are convened in writing by its Chair at least 14 days in advance. Further and more detailed information on the exact number of meetings and the topics discussed can be found in the Supervisory Board's report to the Annual General Meeting.

The agenda items must be communicated when convening a Supervisory Board meeting. If an agenda has not been properly announced, resolutions may be adopted solely if and when no Supervisory Board member objects before the vote on the resolution.

As a rule, Supervisory Board resolutions are adopted during in-person meetings. However, it is permissible for Supervisory Board meetings to be held as video or telephone conferences or for individual members of the Supervisory Board to participate in otherwise in-person meetings via video or telephone transmission; in such cases, the adoption of resolutions or voting procedures are also conducted via video or telephone. Meetings are chaired by the Chairman of the Supervisory Board. Outside of meetings, resolutions may also be adopted by other means (e.g., by phone or by email) on the chairman's instruction provided that no member objects to this procedure.

The Supervisory Board has a quorum if and when the meeting has been properly announced to all members and at least three members participate in the vote on the adoption of the resolution. A member participates in a vote on a resolution even if they abstain.

Supervisory Board resolutions are adopted by a simple majority unless otherwise mandated by law.

Minutes of the proceedings and resolutions of the Supervisory Board are recorded in writing.

The Chairman of the Supervisory Board is authorised to submit on behalf of the Supervisory Board any and all declarations of intent required to implement the Supervisory Board resolutions.

The Audit and Risk Committee supports the Supervisory Board in monitoring the accounting and the integrity of the accounting process as well as the effectiveness and functionality of the Internal Control System, Risk Management System, Compliance Management System, and Internal Audit System. Furthermore, it supports the Supervisory Board in monitoring the audit of the financial statements, the services rendered by the auditor, the audit fees and the additional services rendered by the auditor.

The Audit and Risk Committee deals extensively with the Annual and Consolidated Financial Statements, the Combined Management Report, including the non-financial declaration for the company and the group, and the Management Board's proposal for the appropriation of net profit. Together with the Management Board and the auditor, it discusses the audit reports, the audit process, the audit focus and methodology and the audit results, including consideration of the Internal Control System related to the accounting process, and submits recommendations to the Supervisory Board. It regularly assesses the quality of the audit. Prior to publication, the Audit and Risk Committee discusses the quarterly statements and the half-yearly financial report with the Management Board.

The Audit and Risk Committee prepares the negotiations and resolutions of the Supervisory Board regarding the nomination of the auditor for submission to the Annual General Meeting and any decisions on corporate governance issues; moreover, it decides on the approval of significant transactions with related parties pursuant to Section 111b (1) AktG (so-called Related Party Transactions). There were no such transactions during the reporting period.

The Audit Committee discusses the assessment of the audit risk, the audit strategy and audit planning and the audit results with the auditor. The Chair of the Audit Committee regularly exchanges views with the external auditor, also in the presence the members of the Audit and Risk Committee, on current audit topics and the progress of the audit. The Audit Committee regularly speaks to the auditor, at times without the participation of the CFO. During 2025, two formal coordination meetings were held with the auditor. In addition, the auditor regularly participates in the meetings of the Audit and Risk Committee.

The chairperson of the Audit Committee regularly reports to the Supervisory Board on the activities of the Audit and Risk Committee. In the event of significant incidents and findings of the Audit and Risk Committee, the Chairman of the Supervisory Board is informed immediately.

Goals for the membership of the Supervisory Board/Status of attainment

The Company's Supervisory Board strives for a Supervisory Board membership that assures qualified advice and supervision of the Company's Management Board.

Giving due regard to

- its own size,
- the fields of business in which the Company operates,
- the size and structure of the Company,
- the scope of the Company's international activities and
- its current shareholder structure

the Company's Supervisory Board has adopted the following objectives for the membership of the Supervisory Board. These take into account the legal requirements and – unless a deviation has been expressly declared – the recommendations of the German Corporate Governance Code with regard to both the requirements for individual Supervisory Board members and the requirements for the composition of the body as a whole. In particular, a competence profile was drawn up with regard to the full Board.

When making proposals to the Annual General Meeting for the election of Supervisory Board members, the Supervisory Board will take its objectives into account and ensure that the respective candidates meet the requirements to fulfil the competency profile for the entire body. The specific situation of the Company is considered during this procedure.

Requirements for individual members

The Company's Supervisory Board strives to ensure that each member of the Supervisory Board fulfils the following requirements:

General requirements profile

Each member of the Supervisory Board should have the knowledge and experience to be able to diligently and advise the Management Board of the Company and to assess any risks to the Company's business. The Supervisory Board will also ensure that all Supervisory Board members have a personal profile that enables them to uphold the Company's reputation in the public arena.

Time availability

All members of the Supervisory Board should be able to devote the time demanded for the diligent performance of the mandate throughout their entire term of office. The Supervisory Board members must comply with the requirements of the law and should observe the recommendations of the German Corporate Governance Code with regard to the permissible number of Supervisory Board mandates.

Conflicts of interest

Members of the Supervisory Board should not engage in any activities that make the frequent or permanent occurrence of conflicts of interest likely. This includes holding executive positions or performing advisory roles for major competitors, as well as having personal relationships with such entities.

Age limit for Supervisory Board members

As a general rule, members of the Supervisory Board should not have reached the age of 75 at the time of their election or re-election. Furthermore, members will retire upon the conclusion of the Annual General Meeting following their 75th birthday. This target is being complied with.

Requirements for the membership of the Board as a body

Besides the requirements for individual Supervisory Board members, the Company's Supervisory Board strives to realise the following goals in accordance with C.1 GCGC for its membership as a body.

Competence profile for the full Board

The membership of the Supervisory Board as a whole must encompass the expertise, skills and professional experience required to properly perform the Board's duties. The Supervisory Board strives to ensure that the Supervisory Board as a body covers the broadest possible spectrum of knowledge and experience relevant to the Company and, in particular, meets the following requirements:

- At least two members must be representatives of the sectors telecommunications, media and/or IT. Currently, all Supervisory Board members have the pertinent industry knowledge and the required competence.
- Expertise or experience from other business sectors;
- Entrepreneurial or operational experience;
- At least one member must have international experience (e.g., in financial engineering, telecommunications, M&A); all present Supervisory Board members have relevant experience and competences and satisfy this target requirement.
- At least one member must have expertise in the field of accounting, whereby the expertise in the field of accounting must consist of special knowledge and experience in the application of accounting principles and Internal Control and Risk Management Systems as well as sustainability reporting;
- At least one member must have expertise in the field of auditing, whereby the expertise in the this area must consist of special knowledge and experience in the auditing of Annual Financial Statements and sustainability reporting;
- Expertise in sustainability issues that are significant for the Company;
- Knowledge and experience in strategy development and realisation;
- In-depth knowledge and experience in financial controlling and risk management;
- Knowledge and experience in personnel planning and management (human resources);
- In-depth knowledge and experience in the fields of governance and compliance;
- Expertise concerning the needs of capital market-oriented companies;
- The Supervisory Board should not include more than two former members of the Management Board. This criterion is also met as solely Mr Vlasios Choulidis served as a Management Board member and spokesman prior to his election to the Supervisory Board. Furthermore, members of the Supervisory Board shall disclose any conflicts of interest that arise to the Supervisory Board without delay. Permanent conflicts of interest shall result in the resignation from or removal from the mandate. No conflicts of interest were reported during the 2025 financial year.

- Supervisory Board members should step down from the Supervisory Board at the end of the Annual General Meeting following their 75th birthday. This criterion is also met.
- There should be at least one woman on the Supervisory Board. This criterion is met through the membership of Ms Christine Schöneweis on the Supervisory Board.

Diversity

The Supervisory Board strives for a diverse composition to ensure that the board as a whole possesses a sufficient diversity of opinions and expertise. In its election proposals, the Supervisory Board will also consider the Company's established diversity concept, including target figures, which is outlined in a separate section below.

Independence

The Supervisory Board aims for what it considers to be an appropriate number of independent members; specifically, at least four of its six members should be independent within the meaning of the recommendations of the German Corporate Governance Code.

In the reporting year, the Supervisory Board again addressed the above goals for its composition, particularly with regard to the skills profile for the board as a whole, and has reaffirmed and further expanded upon them. The Supervisory Board continues to pursue the goal of fully satisfying the skills profile it has developed for the board as a whole.

Composition of the Supervisory Board/Status of attainment

The Supervisory Board of 1&1 AG consisted of the following members in the financial year 2025:

- **Kurt Dobitsch**

(Chairman of the Supervisory Board since March 2021, Member of the Audit and Risk Committee since May 2021, Member of the Supervisory Board since October 2017)

- **Norbert Lang**

(Deputy Chairman of the Supervisory Board since May 2023, Chairman of the Audit and Risk Committee since May 2021, Member of the Supervisory Board since November 2015)

- **Matthias Baldermann**

(Member of the Supervisory Board since May 2021, Member of the Audit and Risk Committee since May 2023)

- **Vlasios Choulidis**
(Member of the Supervisory Board since January 2018)
- **Friedrich Jousen**
(Member of the Supervisory Board since May 2023)
- **Christine Schöneweis**
(Member of the Supervisory Board since May 2023)

In the assessment of the Supervisory Board, at least five of the six current members of the Supervisory Board are independent of the Company, its Management Board, and the controlling shareholder within the meaning of Recommendations C.7 and C.9 of the GCGC. Accordingly, the Chairman of the Supervisory Board and the Chairman of the Audit and Risk Committee, in particular, are also independent within the meaning of Recommendation C.10 of the GCGC.

Skills Matrix of the Members of the Supervisory Board as of 31 December 2025:

| | | Kurt Dobitsch | Friedrich Joussen | Matthias Baldermann | Christine Schöneweis | Vlasios Choulidis | Norbert Lang |
|------------------------------------|---|---|------------------------------|--------------------------------|---------------------------------|------------------------------|-------------------------|
| Term of membership | Member since | 2017 | 2023 | 2021 | 2023 | 2018 | 2015 |
| Age limit (75) | Year of birth | 1954 | 1963 | 1965 | 1976 | 1958 | 1961 |
| Personal suitability | Independence | ✓ | ✓ | ✓ | ✓ | | ✓ |
| | No overboarding | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Former Management Board member | | | | | ✓ | |
| | No conflicts of interest | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Diversity | Gender | Male | Male | Male | Female | Male | Male |
| | Nationality | Austrian | German | German | German | German | German |
| Professional qualifications | Telecommunications industry | ✓ | ✓ | ✓ | | ✓ | ✓ |
| | Media and/or IT industry | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Expertise / experience from other business sectors | ✓ | ✓ | | ✓ | | ✓ |
| | Entrepreneurial or operational experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Application of accounting principles, internal control, and risk management systems, including sustainability reporting | ✓ | | | | | ✓ |
| | External audit, including the audit of sustainability reporting | ✓ | | | | | ✓ |
| | Expertise in sustainability issues relevant to the Company | ✓ | ✓ | | ✓ | | |
| | Strategy development and implementation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Controlling and risk management | ✓ | | | ✓ | ✓ | ✓ |
| | Personnel planning and leadership (HR) | ✓ | | | ✓ | | ✓ |
| | Governance and compliance | ✓ | ✓ | | ✓ | | ✓ |
| | Expertise concerning the needs of capital market-oriented companies | ✓ | | | | ✓ | ✓ |
| | International experience | e.g. through several years of professional activity abroad or operational experience in an internationally active company (e.g. in financial engineering, telecommunications, or M&A) | ✓ | ✓ | ✓ | ✓ | ✓ |

The members of the Audit and Risk Committee possess extensive expertise in the fields specified in Recommendation D.3 of the GCGC, further details of which are provided below.

The Chairman of the Audit and Risk Committee, Mr Norbert Lang, has extensive expertise in accounting and financial reporting as well as auditing, including sustainability reporting and the audit thereof, by virtue of his former role as a member of the Management Board of United Internet AG. His expertise in these areas includes in-depth knowledge and experience in the application of international and national accounting principles and Internal Control and Risk Management Systems. Regarding auditing, his expertise consists of specialised knowledge and experience in financial statement audits.

As a further member of the Audit Committee, Mr Kurt Dobitsch possesses extensive expertise in accounting and financial reporting as well as auditing, including sustainability reporting and the audit thereof, by virtue of his many years of experience as former Vice President Europe at Compaq Computer Corporation, former Managing Director of Access Computer GmbH, and as Chairman of the Supervisory Board of 1&1 AG. His expertise in these areas includes in-depth knowledge and experience in the application of international and national accounting principles and Internal Control and Risk Management Systems. Regarding auditing, his expertise consists of specialised knowledge and experience in financial statement audits.

The Supervisory Board nominations for the election of Supervisory Board members should continue to be oriented towards the welfare of the Company, also taking into account these objectives and the endeavour to satisfy the competence profile for the body as a whole. The specific situation of the Company must be considered during this procedure.

The term of office of Supervisory Board members ends on the conclusion of the Annual General Meeting of 2028.

Targets for the proportion of women on the Supervisory Board, Management Board and senior management levels/Status of achievement

Under the German Stock Corporation Act (AktG), 1&1 AG, as a publicly listed company, is subject to the following obligations:

- Determination of targets for the proportion of women on the 1&1 AG Supervisory Board by the Supervisory Board (Section 111 (5) AktG).
- Determination of targets for the proportion of women on the 1&1 AG Management Board by the Supervisory Board (Section 111 (5) AktG).
- Setting of targets for the proportion of women in the first and second management levels of 1&1 AG by the Management Board (Section 76 (4) AktG).

The following determinations may each cover a maximum period of 5 years.

After thorough review, the Supervisory Board and the Management Board of 1&1 AG have adopted the following resolutions:

- The Supervisory Board has set the deadline for achieving the current target quotas for the proportion of women on the Supervisory Board and the Management Board as the end of the Annual General Meeting in 2028, which will decide on the discharge of the Supervisory Board for the financial year 2027. In this Annual General Meeting, the Supervisory Board will be newly elected.
- The target quota of "16.66 per cent" for the Supervisory Board will be maintained (Section 111 (5) AktG). The Supervisory Board currently consists of one woman and five men.
- The target quota for the Management Board remains at "0". All members of the current Management Board are men. No changes in the membership or an increase in the size of this body are planned or have been foreseeable. In the view of the Supervisory Board, the goal pursued by lawmakers of increasing the proportion of women is in this respect secondary to the interest of the Company in the continuation of the successful work by trained members of the Management Board and in a size of the Management Board that is adapted to the needs of the Company (Section 111 (5) AktG).
- Irrespective of this, the selection should always be made according to the individual competence profile of the potential Board members, whereby the Supervisory Board endeavours to give preference to women whenever candidates' qualifications are otherwise equivalent.
- The Management Board has set a target of 50 per cent for the proportion of women at the first and second management levels below the Management Board (Section 76 (4) AktG). The Management Board set the deadline for achieving the current targets for the proportion of women on the Supervisory and Management Boards as the end of the Annual General Meeting that adopts a resolution for the discharge of the Supervisory Board for financial year 2027 (May 2028).

The Supervisory Board and Management Board of 1&1 AG currently consider the above-mentioned targets for the Supervisory Board and Management Board to be met without exception.

Diversity concept (Sections 289f (2) point 6, 315d HGB)

Diversity aspects are always a significant factor during deliberations regarding the membership of the Management and Supervisory Boards. The Company regards diversity as not only desirable, but indeed as crucial to its success. In consequence, the Company strives to maintain overall a corporate culture of appreciation

in which individual diversity in terms of culture, nationality, gender, age group, educational or professional background and religion is desired and equal opportunities irrespective of age, disability, ethnic-cultural origin, gender, religion and ideology or sexual identity are promoted.

The Company strives to ensure that membership of the Management and Supervisory Boards is diversified and that the two Boards have sufficient diversity of opinion and knowledge among their members.

In particular, the following criteria should always be given due consideration:

- The members of the Management and Supervisory Boards should complement one another within their respective bodies in terms of their experience and educational and professional backgrounds so that they are able to develop a good understanding of both the current status and the longer-term opportunities and risks related to the Company's business.
- The Management and Supervisory Boards have each set a target for the gender ratio for the reference period until the end of the Annual General Meeting in 2028 that adopts a resolution discharging the Supervisory Board for financial year 2027. The current Supervisory Board has one woman and five men in its membership. In principle, both genders are treated equally in accordance with their qualifications.
- With the exception of the age limit of 70 years and 75 years respectively as set out in B.5 and C.2 GCGC, there are no differentiations according to age for the members of the Management and Supervisory Boards and the sole distinctions are based on the required knowledge and experience.
- In view of the current size of the Management and Supervisory Boards of only three and six members, respectively, no targets have been set with regard to geographical origin. The requirement of international experience on the Supervisory Board has been given due consideration by the fact that at least one Supervisory Board member should have had several years of operational experience acquired abroad or in an internationally active company.

Individual strengths – that is, everything that makes the individual employee within the Company unique and distinctive – have made it possible for the Company to become what it is today. A workforce that is made up of a wide variety of personalities offers optimal conditions for creativity and productivity and fosters as well employee satisfaction. The resulting potential for ideas and innovation strengthens the Company's competitiveness and increases opportunities on future markets. In keeping with this thought, diversity (in terms of age, gender or professional experience, for example) should be the object of close attention; certainly the field of activity and the position in which an individual's potential and talents can be exploited in the best possible way should be found for each and every employee, but in the Company's own interests, it should also be a factor for the composition of the Management and Supervisory Boards.

The Supervisory Board has determined that the entirety of the statutory and self-determined provisions governing its composition (targets for composition, competency profile, statutory target for the proportion of women, age limit and the other provisions set out above) shall be deemed to constitute a diversity concept within the meaning of Section 289f (2) No. 6 HGB.

The Company does not consider diversity targets that go beyond this with additional or more specific criteria to be expedient. In view of the current size of the Management and Supervisory Boards, a larger catalogue and more specificity of the diversity aspects would cause substantial difficulties in filling the positions adequately in accordance with all diversity criteria.

According to the assessment of the members of the Management Board and the Supervisory Board, the diversity concept for the Management Board and the Supervisory Board is currently fulfilled.

Annual General Meeting

The Annual General Meeting is the central decision-making body of the 1&1 AG shareholders. In this meeting, the Annual and Consolidated Financial Statements are presented to the shareholders. The shareholders decide on the appropriation of the retained profits and vote on other issues as stipulated by law such as the discharge of the Management and Supervisory Boards and the election of the auditor. Each share entitles the holder to one vote. Shareholders who register on time are entitled to participate in the Annual General Meeting. Shareholders may also exercise their voting rights at the Annual General Meeting through a proxy. For this purpose, the Company provides a voting representative who votes in accordance with the shareholders' instructions, provided they have been authorised by the shareholders to do so.

Governance functions

At 1&1 AG, governance functions are part of an integrated "GRC" organisation, which includes Corporate Governance, Risk Management, the Internal Control System, and Corporate Compliance. The GRC functions are under the unified leadership of the Chief Financial Officer (CFO) of 1&1 AG.

Internal Control System and Risk Management System

To the long-term success of 1&1 AG, it is essential to systematically identify and analyse the risks associated with business activities across the Group and to eliminate or limit them through appropriate control measures and mitigation strategies. The Internal Control System and the Risk Management System ensure a responsible approach to handling risk. These systems are specifically designed to identify, assess, manage, and monitor risks at an early stage throughout the Group. They are continuously developed and adapted to

changing conditions. The Management Board regularly informs the Supervisory Board about existing risks, their management, and the effectiveness of internal controls. The adequacy and effectiveness of the Internal Control System and the Risk Management System have been confirmed by the Supervisory Board in its entirety.

The key characteristics of the Internal Control System and the Risk Management System concerning the Company's and Group's financial reporting processes are detailed in the Combined Management Report for the Company and the Group, in accordance with Sections 289 (4) and 315 (4) HGB. The Management Board also reports in detail on existing risks and their development in these reports.

Compliance

To ensure compliance with legal regulations and internal company policies, the Management Board of 1&1 AG has implemented a Group-wide, risk-oriented Compliance Management System (CMS). The primary objective of this CMS is to prevent or at least minimise actual violations and related risks. Actual violations should be identified, rectified and, depending on their severity, appropriately sanctioned. The core element of this system is a central Code of Conduct, which applies to all board members and employees of 1&1 AG, and ensures that the Company's values and ethical principles are consistently and continuously upheld.

The Compliance Department is responsible for the specific design and further development of the CMS. In certain areas, such as Human Resources (HR), the Compliance Department is supported by functional Compliance Managers.

The overarching goal of all compliance activities is to prevent compliance violations. Appropriate measures geared to the Company's risk situation along the three levels of action "Prevent", "Recognise" and "Respond" are intended to achieve this goal. Key focus areas include: anti-corruption measures, policy management, confidential reporting channels and whistleblower protection.

The key elements of the Compliance Management System are described in detail in the Sustainability Report of 1&1 AG.

Financial publicity / Transparency

1&1 AG is committed to providing institutional investors, private shareholders, financial analysts, employees, and the general public with regular, transparent, and up-to-date information about the Company's financial position.

All essential information such as press releases, ad hoc announcements and other mandatory disclosures (such as directors' dealings or voting rights notifications) as well as all financial reports are published in accordance with legal requirements. Furthermore, 1&1 AG also provides extensive information on the Company's website (www.1und1.ag/welcome). Documents and information about the Company's Annual General Meetings as well as other economically relevant information can be found on the site.

1&1 AG reports to shareholders, analysts and press representatives on the development of business and the financial and earnings position four times in each financial year, based on a fixed financial calendar. The financial calendar is published and regularly updated on the Company's website in accordance with legal requirements.

In addition, the Management Board informs shareholders without delay by issuing ad hoc announcements concerning circumstances that are not publicly known and that are likely to have a significant impact on the share price.

As part of its investor relations, management meets regularly with analysts and institutional investors. Moreover, analyst conferences, to which investors and analysts also have telephone access, are held to present the semi-annual and annual figures.

Accounting and auditing

The Group's accounts are prepared in accordance with the principles of the International Financial Reporting Standards (IFRS, as applicable in the EU), with due consideration of Section 315e HGB. The Annual Financial Statements of 1&1 AG relevant for disbursement and tax purposes, on the other hand, are prepared according to the provisions of the German Commercial Code (HGB). Annual and Consolidated Financial Statements are audited by independent auditors. The auditor is elected by the Annual General Meeting. The Supervisory Board issues the audit mandate, determines the focal points of the audit and the audit fee and reviews the independence of the auditor.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has been the auditor for 1&1 AG and the Group since financial year 2022. Mr Erik Hönig is the CPA in charge of the audit for financial year 2025.

Remuneration for Management Board and Supervisory Board

The remuneration of the members of the Management Board and the Supervisory Board is presented in detail in the Remuneration Report for the financial year 2025, in accordance with Section 162 AktG, which, along with the corresponding auditor's statement, is published on the Company's website at

<https://www.1und1.ag/corporate-governance-en#verguetungs-bericht> and can be accessed there. An annex to this Remuneration Report provides a comprehensive overview of the applicable remuneration system, as required by Section 87a (1) and (2) sentence 1 AktG, and also includes the most recent remuneration resolution adopted by the Annual General Meeting in accordance with Section 113 (3) AktG. Further details regarding Management and Supervisory Board remuneration can also be found in the Notes to the Consolidated Financial Statements for the financial year 2025 under item 42 in the notes.

Share option programmes

The basic features of 1&1 AG's employee share ownership programme can be found in the "Remuneration Report 2025", which is published on the Company's website at <https://www.1und1.ag/corporate-governance-en#verguetungs-bericht>. Further information can be found in the Notes to the Consolidated Financial Statements under item 37 in the notes.

Declaration pursuant to Section 161 AktG regarding compliance with the recommendations of the German Corporate Governance Code

The 1&1 AG Management and Supervisory Boards issued the following Declaration of Conformity, on 15 December 2025, pursuant to Section 161 AktG and published it on the Company's website (www.1und1.ag/welcome) and in the Federal Gazette.

The 1&1 AG Management and Supervisory Boards declare pursuant to Section 161 AktG:

The 1&1 AG Management and Supervisory Boards declare that 1&1 AG has complied with the recommendations of the German Corporate Governance Code ("Code"), in its version dated 28 April 2022, which became effective upon publication in the Federal Gazette on 27 June 2022 and formed the basis of the previous Declaration of Compliance issued on 25 March 2025, except for the deviations stated therein and will continue to follow the recommendations of the Code with the following exceptions:

Item D.4

Formation of a Nomination Committee

The Supervisory Board does not form any committees other than the Audit and Risk Committee; it performs all other tasks as a full body. The Supervisory Board considers this to be appropriate to the situation as efficient plenary discussions and an intensive exchange of opinions are possible even with a six-member Supervisory Board. The Supervisory Board sees no necessity for the creation of a nomination committee.

Item G.10

Management Board Remuneration – Long-term variable remuneration

Pursuant to Recommendation G.10 of the Code, the variable compensation amounts granted to Management Board members should be invested predominantly in shares of the Company or granted on a corresponding share-based basis. Moreover, any such grants to Board members should be subject to a blackout period of four years. Share-based remuneration is awarded in the form of the Stock Appreciation Rights (SARs) programme as a long-term remuneration programme for the Management Board. The term of this programme totals six years. Within this period of 6 years, a Management Board member can redeem a portion (25 per cent) of the vested SARs at certain points in time, at the earliest, however, after 2 years. This means that a Management Board member can obtain a part of the long-term variable remuneration after only two years. Full exercise of all SARs is possible for the first time after the lapse of a period of five years.

The Supervisory Board is of the opinion that this system of long-term remuneration has proven its value and sees no reason to postpone any further the possibility of obtaining remuneration earned under the programme. The Supervisory Board believes that the linking of the programme to the 1&1 AG share price and the opportunity for Management Board members to redeem their shares to satisfy the claims from the programme secure reasonable participation of Management Board members in the risks and opportunities of 1&1 AG. Since the programme has been designed with a term of six years and the awarded SARs are vested proportionately over this term and at the earliest after two years, the Supervisory Board is of the opinion that the programme achieves an optimal commitment effect and incentive control in the interest of 1&1 AG and does not require any changes.

Update to the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) regarding compliance with the recommendations of the German Corporate Governance Code

On March 5, 2026, the Management Board and Supervisory Board of 1&1 AG issued the following update to the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) and subsequently published it on the Company's website (www.1und1.ag/welcome) and in the Federal Gazette.

On December 15, 2025, the Management Board and Supervisory Board of 1&1 AG declared that 1&1 AG has complied with the recommendations of the German Corporate Governance Code ("Code") in the current version dated April 28, 2022, which took effect upon publication in the Federal Gazette on June 27, 2022, and which formed the basis of the last Declaration of Compliance dated March 25, 2025, with the exceptions stated therein, and will continue to do so in the future.

As a precautionary measure, the Management Board and Supervisory Board of 1&1 AG are updating their Declaration of Compliance with the following statement regarding a deviation from Recommendation B.4 of the Code for the past:

Section B.4
Early Reappointment

According to B.4 of the Code, the reappointment of a member of the Management Board more than one year before the end of the term of office, with simultaneous termination of the current appointment, should only take place under special circumstances. The reappointment of Mr. Sascha D’Avis as Chief Financial Officer of the company took place more than one year before the end of the current appointment through its termination. The Company believes that there were special circumstances for the early re-appointment of Mr. D’Avis as a member of the Management Board. In particular, strategic considerations, such as ensuring long-term planning reliability, ensuring continuity in the Company’s management, and retaining a key individual to implement strategic projects, required this decision. Nevertheless, as a precautionary measure and in order to avoid any legal uncertainty, 1&1 AG declares a deviation from recommendation B.4 of the Code in this respect. 1&1 AG intends to comply with the recommendation B.4 again for future (re-)appointments of members of the Management Board.

In all other respects, the Declaration of Conformity of 15 December 2025 remains unchanged.

Report on the Position of the Company and the Group

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Preliminary Remarks

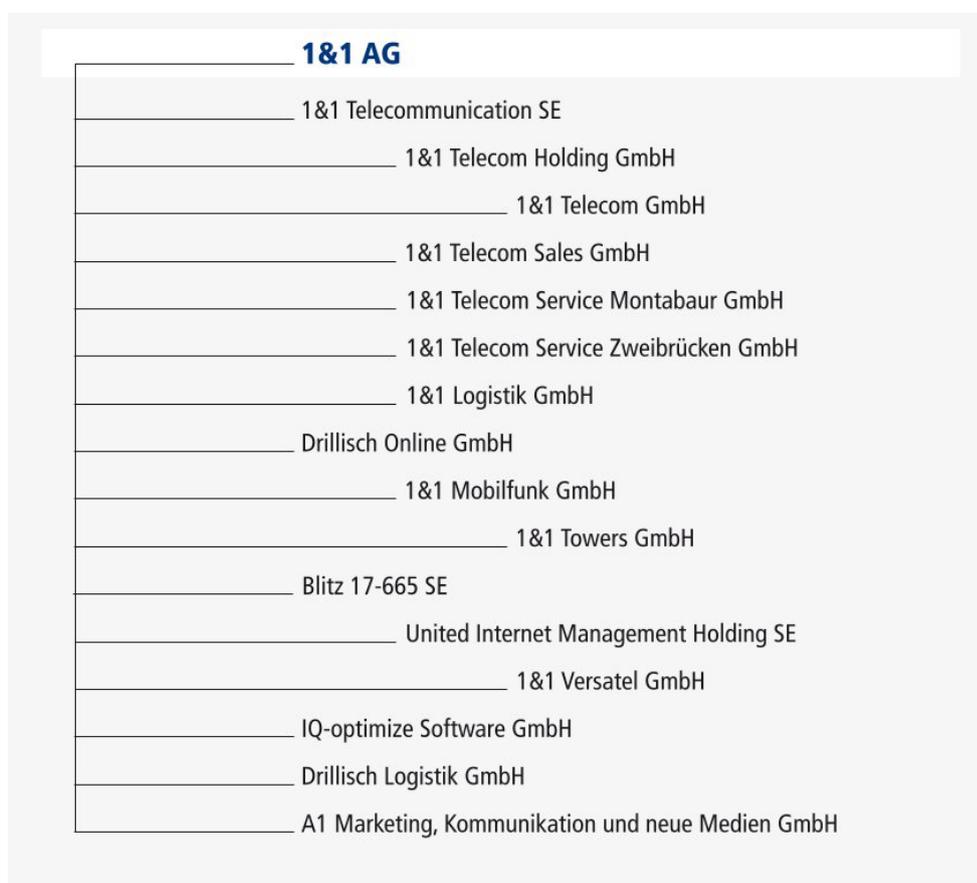
The German Corporate Governance Code (GCGC) requires information on the Internal Control and Risk Management System. These requirements go beyond the legal demands for the Management Report and are excluded from the auditor's review of the content of the Management Report ("non-management report information"). They are thematically allocated to the essential elements of the Internal Control and Risk Management System in chapter 4.1 "Risk report" and are separated from the information to be audited in terms of content by separate paragraphs and marked accordingly.

1. General Information About the Company and Group

1.1 Business Model

1&1 Group

The 1&1 Group, together with 1&1 Aktiengesellschaft, Montabaur the listed parent company (hereinafter: "1&1 AG" or, along with its subsidiaries, "1&1" or "Group"), is a telecommunications provider operating in Germany and operates its own mobile and fibre-optic network.



1&1 AG is the Group's holding company

1&1 AG is a listed subsidiary of United Internet AG, Montabaur, which is also listed.

Within 1&1 Group, 1&1 AG, the parent company, concentrates on the holding tasks such as management, finances and accounting, financial controlling, cash management, human resources, risk management, corporate communications and investor relations along with the definition, management and monitoring of the corporate strategy.

The operating business is primarily conducted by 1&1 Telecom GmbH, Drillisch Online GmbH, and 1&1 Versatel. In addition, 1&1 Mobilfunk GmbH, 1&1 Towers GmbH, and 1&1 Versatel GmbH are responsible for the expansion and operation of the mobile network. 1&1 Versatel also operates a fibre-optic network, which it continues to expand on a permanent basis.

Acquisition of 1&1 Versatel as of 1 December 2025

Effective 1 December 2025, 1&1 acquired 1&1 Versatel GmbH, Montabaur (hereinafter "1&1 Versatel") from its majority shareholder, United Internet AG, for a provisional economic purchase price of €1.3 billion. The acquisition was executed through the takeover of all shares in United Internet Management Holding SE, Montabaur, sole shareholder of 1&1 Versatel.

By acquiring 1&1 Versatel, 1&1 adds a modern fibre-optic network to its existing mobile network, thereby completing its profile as an end-to-end telecommunications service provider. Additionally, the 1&1 Group's product range has been expanded to include an established B2B fibre-optic offering.

The acquisition provides 1&1 with direct access to the fibre-optic network operated by 1&1 Versatel. It spans more than 68,000 km and is available in over 350 German cities. 1&1 Versatel also operates hundreds of data centres which, together with the fibre-optic network, are utilised for the 1&1 Mobile Network. 1&1 is thereby deepening its value chain in the operation of the 1&1 Mobile Network.

The purchase agreement between United Internet AG and 1&1 was structured such that the transaction did not result in a cash outflow for 1&1 at the present time. Also, there are no material impacts on the key performance indicators for the 2025 financial year.

Business activities

1&1 offers fee-based customer contracts in the Broadband and Mobile Internet product areas for residential and business customers, and operates both a fibre-optic and a mobile network.

Following the acquisition of 1&1 Versatel, the Group is managed via three business segments: Access, 1&1 Mobile Network, and 1&1 Versatel.

Access segment

The Access segment comprises the Group's fee-based Mobile Internet and Broadband products, including associated applications (such as home networking, online storage, telephony, smart home, or IPTV). The Access business segment primarily targets residential customers as well as small and medium-sized enterprises.

Customers are served via the Group's own fibre-optic and mobile networks. For broadband products, 1&1 can also access regional networks and broadband home connections from city carriers, as well as the largest German fibre-optic networks of Deutsche Telekom, OXG, and Deutsche Glasfaser, in addition to the 1&1 Versatel network.

Wholesale services for mobile customers are sourced from the Group's own network. In areas where 1&1 does not yet have sufficient network coverage during the construction of its own network, it uses national roaming wholesale services from Vodafone and Telefónica. Since 1 January 2026, national roaming services have been provided exclusively by Vodafone.

Prior to the full migration of mobile customers to the 1&1 Mobile Network in November 2025, 1&1 had access to the Telefónica mobile network via an MBA MVNO (Mobile Bitstream Access Mobile Virtual Network Operator) agreement.

The Access products are marketed under well-known brands such as 1&1, WinSim or Sim.de, each of which addresses specific target groups on the market, so that 1&1 Group covers the entire range from premium rate plans with above-average service standards to low-cost rate plans for price-conscious customers. The bundled packages provided by 1&1 are supplemented with devices, own developments of applications and services to create an extended portfolio that sets the Company apart from its competitors.

1&1 Mobile Network segment

1&1 operates a fully virtualised mobile network based on innovative Open RAN technology. The expenditures and income relating to the ongoing construction and operation of the Company's own 1&1 Mobile Network are disclosed in the 1&1 Mobile Network segment.

The operation of the Group's own mobile network is based on the 5G frequencies in the 2 GHz and 3.6 GHz spectrums acquired in 2019. 1&1 launched mobile services on the 1&1 Mobile Network as early as the end of 2023.

The 1&1 O-RAN is Europe's first fully virtualised and cloud-based mobile network based on innovative Open RAN technology. Open RAN enables the flexible combination of network components from various manufacturers based on technical standards. 1&1 collaborates with approximately 100 partner companies and has avoided using network components from Chinese manufacturers from the outset.

The expansion of the 1&1 Mobile Network continued to progress in 2025, reaching approximately 27 per cent of German households by the end of the year, thereby meeting the coverage requirement imposed during the frequency allocation – to reach at least 25 per cent of households by year-end.

In addition, 1&1 successfully completed the migration of its mobile customers to its own mobile network in early November 2025: All 1&1 customers have been using the 1&1 mobile network ever since. With this achievement, 1&1 has met the requirement for competitive independence imposed by the Federal Network Agency ahead of the deadline set for the end of the year. This is a large-scale migration project that is extremely complex, if only because of the large number of customers to be migrated. 1&1 succeeded in completing this project in less than two years after the launch of mobile services on the 1&1 O-RAN network.

The 1&1 Mobile Network now serves over 12 million customers, making it the world's largest Open RAN installation by user count.

At the heart of 1&1's network is a private cloud that is operated in hundreds of cities and features local edge data centres. All network functions are controlled by software running on conventional servers. 1&1 plans to use gigabit antennas at all antenna sites, which are connected via fibre optic to the 1&1 edge data centres. This network architecture features minimal latency, which is essential for future real-time applications.

During the expansion of the 1&1 Mobile Network, customers utilise the Vodafone mobile network via a national roaming agreement in areas where 1&1 does not yet provide its own coverage. In national roaming

mode, data traffic is routed to the 1&1 Mobile Network via Vodafone's mobile antennas. Everything is processed within the 1&1 core network, ensuring that the advantages of Open RAN remain available even during national roaming.

1&1 Versatel segment

The operation and expansion of the fibre-optic network, along with directly related expenses and income, are reported within the 1&1 Versatel segment. The core of the business model is the operation of a fibre-optic network spanning over 68,000 km, which is among the largest in Germany and is subject to continuous expansion. Via this network, 1&1 Versatel provides companies and public authorities with telecommunications products ranging from standardised direct fibre connections to bespoke, individual ICT solutions (voice, data, and network solutions).

Furthermore, the 1&1 fibre-optic network ensures the backhaul connectivity for antenna sites within the 1&1 Mobile Network, linking them to the data centres also provided by 1&1 Versatel. This is supplemented by infrastructure services (wholesale) for national and international carriers.

Major sites

| Site | Activity Focus | Company |
|-----------------|---|--|
| Berlin | Network Planning | 1&1 Versatel GmbH |
| | Mains Operation | 1&1 Mobilfunk GmbH |
| | Finance, Marketing, Human Resources, PR, Product Management, Legal and Privacy, Software Development and IT Operations, Sales | 1&1 Versatel GmbH |
| Düsseldorf | Finance, ESG | 1&1 Mobilfunk GmbH, 1&1 Telecom GmbH, 1&1 Telecommunication SE |
| Essen | Customer Service, Mains Operation | 1&1 Versatel GmbH |
| Flensburg | Finance, Customer Service, Mains Operation | 1&1 Versatel GmbH |
| | IT | IQ-optimize Software GmbH |
| Frankfurt a. M. | Mains Operation | 1&1 Versatel GmbH |
| | Customer Service, Product Marketing, Sales | Drillisch Online GmbH |
| | Sales, Product Management | 1&1 Telecom GmbH |
| Karlsruhe | Finance, Software Development and IT Operations, Sales | 1&1 Telecommunication SE |
| | Customer Service, Finance | Drillisch Online GmbH |
| Krefeld | IT | IQ-optimize Software GmbH |
| | Head Office, IR | 1&1 AG |
| | Finance, Marketing, Human Resources, PR, Legal and Privacy, Software Development and IT Operations, Sales | 1&1 Telecommunication SE |
| Montabaur | Marketing | A1 Marketing, Kommunikation und neue Medien GmbH |
| | Partner-Management | 1&1 Telecom GmbH |
| | Customer Service | 1&1 Telecommunication SE, 1&1 Telecom Service Montabaur GmbH, 1&1 Telecom Service Zweibrücken GmbH |
| | Logistics | 1&1 Logistik GmbH |
| | Telesales | 1&1 Telecom Sales GmbH |
| Stuttgart | Sales | 1&1 Versatel GmbH |
| | Customer Service | 1&1 Telecommunication SE, 1&1 Telecom Service Montabaur GmbH, 1&1 Telecom Service Zweibrücken GmbH |
| Zweibrücken | Software Development and IT Operations | 1&1 Telecommunication SE |

In fiscal year 2025, the 1&1 Group employed an average of 3,550 (previous year: 3,270) employees (average calculated based on the end of each quarter). Excluding the employees of 1&1 Versatel, the average number of employees in the Group in 2025 was 3,154. At the end of the fiscal year, 1&1 Versatel employed 1,585 employees.

1.2 Goals and strategy

The 1&1 business model is based primarily on customer contracts characterised by fixed monthly payments and fixed contract terms. Contracts without fixed terms are also marketed, although to a lesser degree. A business model of this type secures stable and plannable revenues and cash flows, provides protection from short-term economic fluctuations and opens up financial manoeuvring room so that opportunities arising in new business fields and on new markets can be exploited.

A large and steadily rising number of customer relationships also helps the Company to take advantage of so-called scaling effects; the greater the demand from customers for the products, the better fixed costs can be covered and the higher the profit. These profits can then be invested in acquiring new customers as well as in developing new products and business areas.

1&1 attracts new customers to the Company and encourages current customers to renew their contracts by offering attractive products and services based on state-of-the-art, high-quality technology. At the same time, customers want a high level of service with fast response times. 1&1 combines these two expectations to offer its customers outstanding value for money.

From today's perspective, mobile internet (especially when based on 5G technology) and high-speed broadband lines together with their related applications represent the growth markets of the coming years. Thanks to its clear positioning on these markets, 1&1, operating under the umbrella of United Internet Group, is strategically well placed to exploit the expected market potential.

Following the acquisition of 1&1 Versatel, 1&1 now operates its own mobile and fibre-optic networks, completing its profile as a comprehensive telecommunications provider. This operation of its own network infrastructure grants 1&1 independence from third-party network access, enhances its internal value chain, and enables the Group to tap into new business sectors.

The Company has established an outstanding position for itself thanks to its many years of experience as a telecommunications provider; its competence in software development and data centre operation, marketing, sales and customer care; to its brands (such as 1&1, WinSim and Sim.de); and to the existing customer contract relationship in segment Access with more 16.32 million subscribers in Germany.

1&1's decision to employ the novel and innovative Open RAN technology indicates the Company's desire to set itself apart from the competition as it becomes the only network operator to exploit fully the potential of 5G. This choice will offer to 1&1 future strategic options for all applications that rely on fast internet, short latency times and stable data transfers. The capability will become an essential building block for growth related to various applications on the horizon, especially in view of the arrival of the Internet of Things. The

1&1 Mobile Network is also prepared for edge computing applications thanks to the architecture of its data centres.

Its own fibre infrastructure provides a powerful foundation for meeting both the standard and complex requirements of corporate clients. To strengthen its market position, 1&1 continuously works on product innovations within its fibre portfolio, cluster expansions, and the further development of value-added services. These include, for example, SD-WAN and firewall products.

1&1 will continue to invest heavily in new customers and new products so that it can steadily expand its market positioning by building on this expected growth.

While not neglecting organic growth, 1&1 continuously examines as well possible corporate acquisitions, holdings and cooperative ventures as further methods for the expansion of market position, competencies and product portfolios.

Thanks to its plannable and high free cash flow in its operations, 1&1 has at its disposal the resources to fund activities itself while securing solid access to capital markets.

Additional information about opportunities and objectives can be found under "Risks, Opportunities and Forecast Report" in section 4.

1.3 Management Systems

The internal management systems support the Management Board in managing and monitoring the Group. These systems consist of budgeting, actuals, and forecasts, and are based on the Group's strategic planning, which is updated annually. In this process, particular consideration is given to market developments, technological developments and trends, their impact on the Group's own products and services, and the Group's financial resources. Corporate management aims to continuously and sustainably develop 1&1 AG and its subsidiaries.

Group reporting comprises monthly income statements as well as quarterly IFRS reporting for all consolidated subsidiaries, presenting the net assets, financial position, and results of operations of the Group and its business divisions. Financial reporting is supplemented by further detailed information required for the assessment and management of operating activities.

The key performance indicators are presented in the 'Segment Reporting' section of the Notes to the Consolidated Financial Statements.

A further component of the management systems consists of the quarterly reports on the material risks facing the Company. These reports are discussed during the meetings of Management and Supervisory Boards and serve as fundamental pillars for analyses and decisions.

The primary management KPIs are service revenue, comparable operating Group EBITDA on an IFRS basis (earnings before interest, taxes, depreciation, and amortisation, adjusted for extraordinary factors), and Cash CapEx (capital expenditure less proceeds from asset disposals). Moreover, the Group is managed via non-financial KPIs, specifically the number and growth of fee-based customer contracts in segment Access. Use and definition of relevant financial performance indicators can be found under item 2.2.

As a holding company, 1&1 AG (individual entity) is primarily influenced by its investment result (profit and loss transfer agreements and dividend distributions) and its interest income. The Company focuses on its investment result and annual net income.

Existing goodwill is allocated to the Access and 1&1 Versatel reporting segments and is monitored at these levels by the responsible corporate bodies.

Item 2.2 "Business Development", under "Actual and Forecasted Business Performance" presents a comparison of the forecasted key performance indicators and the actual figures for these KPIs. Further details on business development for the financial year 2025 are provided in item 2.3 "Position of the Group", and in item 2.4 "Position of the Company" in the Overall Assessment of Business Development.

1.4 Innovations

1&1 Mobile Network

1&1 is building the first mobile network in Europe that runs entirely on innovative Open RAN technology. 1&1 Open RAN creates a globally innovative mobile communications network that will fully utilise the potential of 5G. The vision: A driver of innovation, 1&1 wants to actively shape the future of mobile communications and contribute to Germany's preparations for real-time applications.

At the heart of the 1&1 Mobile Network is a private cloud in over 500 local edge data centres connected by fibre optics to gigabit antennas. While the intelligence in conventional mobile networks is primarily housed in hardware at the respective antenna sites, all network functions in the 1&1 Open RAN are in the private cloud and are software-controlled. This software runs on commodity servers, similar to those found in any standard data centre. Specially developed orchestration software ensures a high level of automation. Complex

conversions to the base stations resulting from innovation cycles can be realised cost-effectively and efficiently with the help of software updates.

Unlike traditional network architectures, which are often provided by only one manufacturer, the 1&1 Open RAN has standardised interfaces enabling 1&1 to work flexibly with the most secure and best equipment suppliers on the market.

Four core data centres, 24 decentralised data centres and over 500 edge data centres are being created in the 1&1 Open RAN. They are connected to the 1&1 antenna sites via fibre optic cables over distances not exceeding 10 kilometres. Solely gigabit antennas mounted on slim antenna masts are used in the 1&1 Open RAN. Applications running in the network benefit from extremely short transmission paths, rendering the 1&1 Open RAN ready for real-time applications without any further adaptations.

The virtualisation of network functions and the strict separation of antennas and control units enable the efficient operation of the 1&1 Open RAN by pooling resources in the edge data centres. Moreover, the computing capacities can be adapted to different utilisation requirements over time. Solely standard hardware is used in the 1&1 data centres, and 1&1 can flexibly rely on the most efficient server generation at any given time.

Independence from dominant network equipment suppliers is one of the key advantages of Open RAN technology. Unlike traditional networks, which are based on proprietary technology from specialised network suppliers, the 1&1 Open RAN has a large number of standardised interfaces. These allow for the flexible combination of software and hardware components from the most innovative and secure providers. This means 1&1 does not have to rely on dominant equipment suppliers like HUAWEI.

1&1 Open RAN fulfils the highest security standards

The security and reliability of mobile communications is a top priority for 1&1. The 1&1 Open RAN satisfies the highest security standards. 1&1 is the only network operator in Germany to have bypassed controversial manufacturers (from China, for example) from the outset.

In collaboration with its equipment partners, 1&1 has carried out extensive risk analyses and introduced an ISO27001-certified security management system, which is implemented in the private cloud in over 500 data centres. Open RAN offers the inestimable advantage of standardisation, which secures 1&1's independence from specific manufacturers.

In November 2021, the German Federal Office for Security and Information Technology (BSI) published a detailed risk analysis on the security of Open RAN mobile networks. The study examines the question of what

security risks arise from the Open RAN implementation of a 3GPP RAN, as specified by the Open RAN Alliance. The 1&1 Open RAN meets all aspects of the BSI's security recommendations from the outset and 1&1 remains in regular contact with the authority.

Member of the international Open RAN Alliance

The international O-RAN Alliance does important work in establishing secure O-RAN standards, developing open software and supporting members during testing and O-RAN implementations.

The aim is to direct the industry towards intelligent, open, virtualised and fully interoperable mobile communications networks. The members of the O-RAN Alliance also include Germany's established network operators and leading equipment suppliers and research institutes. Security in Open RAN networks is intensively analysed and continuously developed in the Alliance's expert committees. As it is a member of the O-RAN Alliance, 1&1 has full access to the analysis results and reports.

1&1 Fibre-Optic Network

Fibre optics is considered the most energy-efficient access technology in the broadband sector. It offers higher speeds as well as greater stability and security than copper-based networks. For digital applications such as cloud computing, big data, Industry 4.0, and the networking of corporate sites, it is indispensable. As demand for fibre products grows, so too do the requirements for security, availability, stability, and transmission speed. 1&1 Versatel's own fibre-optic network, spanning over 68,000 km, provides a powerful foundation to meet these needs. To further bolster its market position and address customer requirements, the Group is continuously evolving its fibre portfolio, supplemented by additional services such as SD-WAN and firewall solutions.

Beyond the growth opportunities presented by expanding its own infrastructure, 1&1 leverages strategic co-operations. The Group currently collaborates with over 400 regional telecommunications providers. So, 1&1 acts as both a purchaser of wholesale services and a provider of its own infrastructure. In the third quarter of 2025, long-term agreements were signed with Deutsche Glasfaser and OXG. The objective is to integrate regional networks into 1&1's nationwide transport network. This expansion increases the reach of the fibre offering by over 5 million additional households, as well as small businesses and freelancers. Further open-access partnerships are planned to continue enhancing the reach and performance of the Group's offering.

2. Business Report

2.1 General Economic and Industry-Related Conditions

Development of the overall economy

In its latest economic outlook (World Economic Outlook, Update January 2026), the International Monetary Fund (IMF) reported that provisional calculations indicated a plus of 3.3 per cent for the global economy in 2025. Growth was therefore exactly in line with the prior year's level (3.3 per cent).

Economic development in Germany showed an initial recovery in 2025, with economic output rising by 0.2 per cent (prior year: -0.5 per cent).

The IMF's calculations for Germany are in line with the preliminary calculations of the Federal Statistical Office (Destatis). At its "2025 Gross Domestic Product" press conference on 15 January 2026, Destatis likewise reported a slight 0.2 per cent increase in (price-adjusted) gross domestic product (GDP) (prior year: -0.5 per cent) – the first rise since 2022 (1.8 per cent). According to the Federal Statistical Office, this was primarily driven by increased household and government consumption expenditure. In contrast, exports declined once again, attributed to higher US tariffs, the appreciation of the euro, and intensified competition from China. Furthermore, the investment slump persisted, with capital expenditure in both equipment and construction falling below the prior year's levels.

Multi-period overview: GDP development

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------|------|------|-------|-------|-------|
| World | 6.2% | 3.5% | 3.3% | 3.2% | +3.3% |
| Germany | 2.6% | 1.8% | -0.3% | -0.5% | +0.2% |

Source: International Monetary Fund, World Economic Outlook (Update), January 2026

Development of the industry/core markets

While many industries are struggling with weak demand, the digital economy remains robust. Despite the current challenging economic environment, the digital association Bitkom expects revenue in the German ICT market (Information Technology and Telecommunications) to grow by 3.9 per cent in 2025 (prior year: 4.8 per cent), reaching €234.8 billion.

The rise in the overall ICT market is due in particular to strong revenue increases in information technology. According to Bitkom’s 2025 forecast, revenues in this largest sub-market climbed 5.3 per cent (prior year: 6.4 per cent) to €160.6 billion. All segments within this sub-market showed positive development: Software (including AI platforms, collaboration tools, and cloud services) is expected to grow by 9.4 per cent (prior year: 13.9 per cent), IT hardware by 3.8 per cent (prior year: 3.2 per cent), and IT services by 2.9 per cent (prior year: 3.5 per cent).

For the ICT sub-market of telecommunications, the industry association expects a 1.2 per cent increase in 2025 (prior year: 1.4 per cent) to €74.2 billion. Performance within the individual segments of the German telecommunications market varies significantly. The infrastructure business rose by 6.6 per cent (prior year: -6.3 per cent) and telecommunications services grew by 1.4 per cent (prior year: 1.7 per cent), while the terminal device business (handsets) declined by -2.6 per cent (prior year: 5.8 per cent).

For service revenues, a key metric for 1&1, the auditing and consulting firm PricewaterhouseCoopers (PwC) predicts a 4.1 per cent increase to €34.2 billion for 2025, according to its "German Entertainment and Media Outlook 2025–2029" (June 2025). Within this, mobile service revenues are expected to rise by 5.8 per cent to €19.4 billion, while broadband service revenues are forecast to grow by 2.0 per cent to €14.8 billion.

The number of mobile contracts is expected to increase by 3.7 per cent in 2025, reaching 191.9 million. This growth is primarily driven by a 47.9 per cent increase in 5G contracts, reaching 75.5 million, while contracts with lower data rates are projected to decline significantly.

For fixed broadband connections, PwC anticipates a 1.2 per cent increase in 2025, reaching 39.3 million. DSL connections declined by -7.3 per cent to 21.5 million. Cable connections fell by -1.4 per cent to 8.3 million. Fibre-optic connections surged by 35,5 per cent to 8.2 million.

Market indicators: German telecommunications market

| | 2025 | 2024 | Change |
|--------------------------|------|------|--------|
| Mobile revenues (in €bn) | 74.2 | 73.3 | +1.2% |

Source: Bitkom, January 2026

General legal conditions / Major events

The general legal conditions for 1&1’s business activities remained essentially constant in financial year 2025 compared to financial year 2024 and had no significant impact on the business development of 1&1 Group.

General legal conditions

The future success of 1&1 as a mobile network operator depends, among other factors, on the future allocation of mobile frequencies. During the Federal Network Agency's spectrum auction in 2019, 1&1 acquired 5G frequencies in the 2 GHz and 3.6 GHz bands. The frequency blocks in the 3.6 GHz spectrum are already available and are used in the operation of the mobile network while the frequencies in the 2 GHz band will become available in 2026. To bridge this period, 1&1 has leased additional frequencies in the 2.6 GHz spectrum from Telefónica until its own frequencies become available.

On 26 August 2024, the Administrative Court of Cologne ruled that the allocation rules of the 2019 spectrum auction were unlawful. In essence, the court criticised the absence of a service provider obligation – the requirement for network operators to open their networks to providers without their own mobile network in exchange for fees. The Administrative Court ruled out an appeal against this judgement. Following the publication of the grounds for the judgement, the Federal Network Agency filed a complaint against the non-admission of appeal. However, this was dismissed by the Federal Administrative Court on 20 November 2025. The judgements are now legally binding. The Federal Network Agency has announced that it will reopen the proceedings under objective, transparent, and non-discriminatory conditions. The potential consequences of this reopening are currently unforeseeable. However, 1&1 currently assumes that no significant risks will arise from this ruling.

To operate its mobile network competitively and efficiently, 1&1, like any other mobile network operator, requires not only high-frequency spectrum but also so-called low-band frequencies, which are indispensable for indoor coverage.

In March 2025, the Federal Network Agency announced its decision regarding the allocation of the low- and mid-band spectrum becoming available from January 2026. The agency intends to extend the existing right-of-use assets of the incumbent network operators. This extension is subject to the condition that Deutsche Telekom, Vodafone, and Telefónica must grant 1&1 access to part of their low-band spectrum for shared use. However, no agreement has been reached to date. The Federal Network Agency intends to issue a decision on this matter in 2026. The consultation period for mobile network operators ends on 18 March 2026, with a decision expected in the course of the spring.

Key new contracts and events

1&1 Concludes migration of existing customers to the 1&1 Mobile Network

Following the launch of the 1&1 Mobile Network for mobile services at the end of 2023, 1&1 began migrating its more than 12 million existing mobile customers from third-party networks to its own network in January 2024.

This migration was successfully concluded in the fourth quarter of 2025, completing 1&1's transformation into an independent network operator. The competitive independence requirement set by the Federal Network Agency for 31 December 2025 was fulfilled on schedule. Simultaneously, the territorial coverage target, stipulated as part of the 2019 5G spectrum auction, was attained ahead of schedule. The 1&1 Open RAN mobile network now reaches 27 per cent of German households.

Acquisition of A1 Marketing, Kommunikation und neue Medien GmbH

As of 1 January 2025, 1&1 acquired all shares in A1 Marketing, Kommunikation und neue Medien GmbH, Montabaur (hereafter "A1"), from United Internet AG for a purchase price of €4.0 million. The initial consolidation as of 1 January 2025 did not have any material impact on the Group's assets, liabilities, financial position, and profit or loss in the 2025 financial year.

A1's primary business purpose is the provision of marketing services. Its revenues are predominantly generated with the 1&1 Group and, for the remainder, primarily with related parties within the United Internet Group.

The initial consolidation of A1 was accounted for as a business combination under common control using the predecessor accounting method. Under this method, the carrying amounts as last reported in the Consolidated Financial Statements of United Internet AG are recognised in the Consolidated Financial Statements of 1&1 AG. The difference between the purchase price and the acquired net assets at carrying amounts was offset against additional paid-in capital without affecting profit or loss.

Acquisition of 1&1 Versatel

In the 2025 financial year, 1&1 AG acquired the interest in United Internet Management Holding SE, including its wholly-owned subsidiary 1&1 Versatel, from United Internet AG as part of an internal group restructuring.

The effective purchase price amounted to €1,300.0 million (cf. ad-hoc-announcement of 21 November 2025). In addition, 1&1 is paying a compensation amount of €246.1 million in connection with the transaction. The background to this is that the transaction led to an impairment of the interest in 1&1 Versatel to the lower fair value at United Internet Management Holding SE. The resulting loss had to be borne by United Internet AG due to the existing profit and loss transfer agreement (loss absorption pursuant to Section 302 AktG) and was transferred to United Internet Management Holding SE in January 2026. In the 1&1 Consolidated Financial Statements as of 31 December 2025, this amount is therefore recognised both as a receivable from loss absorption and as a liability to United Internet AG. The compensation amount will be repaid outside of the purchase price settlement; formally, however, it is attributed to the acquisition costs. Consequently, the total acquisition costs amount to €1,546.1 million.

The purchase price claim is settled primarily by offsetting it against counterclaims from a cash-management-balance of €650.0 million, by granting a shareholder loan to 1&1 AG in the amount of a further €650.0 million, and by repaying the compensation amount for the loss absorption.

Depending on the future business performance of 1&1 Versatel in the years 2027 to 2029, the purchase price may increase or decrease by up to €300.0 million. Any purchase price adjustment will fall due in 2030.

The transaction was completed with economic effect as of the close of 30 November 2025. The terms of the acquisition were deemed appropriate by the Management Board of 1&1 AG and confirmed by an independent external expert.

The initial consolidation of 1&1 Versatel was accounted for as a business combination under common control using the predecessor accounting method. Under this method, the carrying amounts as last reported in the Consolidated Financial Statements of United Internet AG are recognised in the Consolidated Financial Statements of 1&1 AG. The difference between the purchase price and the acquired net assets at carrying amounts was offset against additional paid-in capital without affecting profit or loss.

Conclusion of a Loan Agreement with United Internet AG

Separately, in December 2024, United Internet AG secured a subsidised loan of up to EUR 800 million from the Japan Bank for International Cooperation (JBIC), the Japanese development bank. The loan is designated for the roll-out of the 1&1 Mobile Network. All funds are to be passed through directly to 1&1. A loan agreement between 1&1 and United Internet was signed in January 2025. In view of upcoming investments, 1&1 drew down €290.0 million from this facility in February 2025. A further €225.0 million to invest in the 1&1 Mobile Network was called up at the beginning of 2026.

Suspected anti-competitive hindrance by Vantage Towers

On 11 April 2025, the Federal Cartel Office published its preliminary legal assessment regarding Vodafone and Vantage Towers' failure to provide antenna sites to 1&1. In its assessment, the Federal Cartel Office considers the delayed provision of contractually agreed sites to constitute an anti-competitive hindrance of 1&1's market entry as the fourth network operator. At the end of 2021, Vantage Towers entered into a contractual agreement with 1&1 for the shared use of a four-figure number of antenna sites, to be implemented in several phases by the end of 2025. The deadlines for these targets were contractually extended by one year, but the provision of the agreed sites has been significantly delayed since the contract was signed. The decision of the Federal Cartel Office is being delayed. This is due to an application for preliminary injunctive relief filed by Vodafone with the Düsseldorf Higher Regional Court in November 2025. 1&1 expects a decision to be reached in the course of 2026. The Group does not currently anticipate that any risks will arise from the decisions of the Federal Cartel Office or the Düsseldorf Higher Regional Court.

Furthermore, no material events occurred during the 2025 financial year that had a significant impact on the course of business.

External influences

No external significant events with a decisive influence on the course of 1&1's business occurred in financial year 2025.

2.2 Course of Business

Use and definition of performance indicators relevant for business

Financial performance indicators such as gross profit, gross profit margin, EBITDA, EBITDA margin, EBIT, EBIT-margin, free cash flow and Cash CapEx are used in addition to the disclosures required by the International Financial Reporting Standards (IFRS) in the Annual and Interim Financial Statements of the Group to ensure a clear and transparent presentation of 1&1's business development. These performance indicators as used at 1&1 are defined as shown below:

- Service Revenue: Revenue generated from voice and data services as well as revenue from the sale of fibre-optic direct connections and ICT solutions to business and wholesale customers.
- Gross profit: gross profit is calculated as the difference between sales and expenditures for procured services and merchandise as well as revenue from the sale of fibre-optic direct connections and ICT solutions to business and wholesale customers.
- Gross profit margin: the gross profit margin is the ratio of gross profit to revenue.
- EBIT: the EBIT (earnings before interest and taxes) shows the results of operating activities disclosed in the comprehensive income statement.
- EBIT margin: the EBIT margin is the ratio of EBIT to revenue.
- EBITDA: the EBITDA (earnings before interest, taxes, depreciation and amortisation) is calculated as the EBIT plus the depreciation on intangible assets, and property, plant and equipment (items disclosed in the cash flow statement) and depreciation on assets capitalised during the acquisition of companies.
- EBITDA margin: the EBITDA margin is the ratio of EBITDA to revenue.

- Cash flow before changes in balance sheet items (subtotal): The cash flow before changes in balance sheet items is derived from the consolidated result, adjusted for non-cash effects. This includes, among other things, depreciation, deferred taxes, and interest and financing expenses. This subtotal represents the operational cash inflow before taking into account changes in working capital and other balance sheet items.
- Free cash flow: the free cash flow is calculated as the net payments from operating activities (items disclosed in the capital flow statement) less investments in intangible assets, and property, plant and equipment plus payments from the disposal of intangible assets, and property, plant and equipment.
- CapEx: Additions to intangible assets and property, plant, and equipment, excluding right-of-use assets capitalised under IFRS 16, minus proceeds from sales
- Cash CapEx: cash outflows for investments in intangible assets, and property, plant and equipment, minus proceeds from sales

The most relevant financial performance indicators for Group management are Service Revenue, the comparable operating EBITDA according to IFRS, and Cash CapEx. In addition to these financial key performance indicators, the most important non-financial key indicator is the number of customer contracts in the Access segment.

The aforementioned performance indicators are adjusted for special factors/special effects to the extent necessary for a clear and transparent presentation and are reported under the designation "comparable operating key performance indicators" (e.g., comparable operating EBITDA, comparable operating EBIT or comparable operating EPS). As a rule, the special effects are related solely to those effects that, because of their nature, frequency and/or scope, are capable of negatively affecting the meaningfulness of the financial key performance indicators for the financial and earnings development of the Group. All special effects are pointed out and explained in the relevant sections of the financial statements as part of the roll-over to the unadjusted financial key performance indicators. No adjustments were necessary for the financial years 2024 and 2025, so the unadjusted figures are comparable.

Actual and forecast course of business

Forecast course of business – 1&1

1&1 published its forecast for the 2025 financial year as part of its 2024 Annual Financial Statements and adjusted it during the year. 1&1 Versatel is not included in the published forecasts.

| | Actual 2024 | Forecast 2025 (March 2025) | Update (June 2025) ¹ | Concretisation (November 2025) ² | Actual 2025 | Actual 2025 |
|---------------------------|--------------|-------------------------------|------------------------------------|--|-------------------------|--------------|
| Service revenues | €3,303.1 m | €3,303.1 m | €3,303.1 m | €3,303.1 m | €3,306.6 m ³ | €3,336.4 m |
| EBITDA | €590.8 m | ca. €571.0 m | ca. €545.0 m | ca. €545.0 m | €521.5 m ³ | €537.5 m |
| Cash CapEx | €290.6 m | ca. €450.0 m | ca. €450.0 m | ca. €400.0 m | €389.3 m ³ | €409.2 m |
| growth customer contracts | ca. 130 thd. | ca. 0 thd. | ca. 0 thd. | ca. 0 thd. | ca. -70 thd. | ca. -70 thd. |

1 Update based on current business development due to higher wholesale costs at Vodafone

2 Adjustment following the finalisation of planning for payments to wholesale providers for the roll-out of the mobile network

3 Excluding 1&1 Versatel

Actual course of business – 1&1

The operational development of the 1&1 Group (excluding 1&1 Versatel) in the 2025 financial year was significantly negatively impacted by intense competition and, as expected, a slight increase in churn in connection with the migration of all mobile customers to the new 1&1 network.

As a result, high-margin service revenues (excluding 1&1 Versatel) stabilised at the prior year's level. The migration of existing customers to the 1&1 Mobile Network was completed on schedule in November 2025. Savings were achieved compared to the prior year due to the more extensive provision of wholesale services from the Company's own mobile network. These savings were partially offset by higher wholesale costs resulting from higher-than-planned national roaming expenses. Under the national roaming agreement with Vodafone, 1&1 is required to pay a share of the total costs of the mobile network that corresponds to the proportion of data usage by 1&1 customers out of the total data volume on the Vodafone network. The reason for the rise in costs was that the Vodafone network grew more slowly than 1&1 had anticipated. This led to a higher usage share and, consequently, higher costs for 1&1. In addition, the change of national roaming partner from Telefónica to Vodafone resulted in further additional costs.

The number of fee-based contracts decreased by 70,000 to 16.32 million in the 2025 financial year. As a result, the forecast of a stable contract base of 16.39 million contracts was narrowly missed. In the mobile internet business, 40,000 million customer contracts were gained, increasing the number of contracts to 12.48 million. Broadband lines declined by 110,000 contracts to 3.84 million.

Service revenues, with an increase of 1.0 per cent to €3,336.4 million (prior year: €3,303.1 million), remained at the prior-year level and were therefore in line with the forecast. This includes €29.8 million in service revenue from 1&1 Versatel for December 2025.

The development of customer contracts in the 2025 financial year is primarily attributable to the persistently highly competitive environment. In particular, contract development in the broadband segment fell short of expectations. However, the Group corrected this trend during 2025 – driven in part by wholesale fibre agreements with Deutsche Glasfaser and OXG – and stabilised the broadband contract base as early as the end of 2025.

Group EBITDA fell from €590.8 million in the prior year to €521.5 million (excluding 1&1 Versatel) or €537.5 million (including 1&1 Versatel) due to higher-than-planned national roaming costs, leaving EBITDA below both the initial forecast and the subsequent mid-year adjustments.

Cash CapEx stood at €389.3 million (excluding 1&1 Versatel) or €409.2 million including 1&1 Versatel (prior year: €290.6 million). This figure meets the forecast as updated during the year.

Forecast course of business – 1&1 AG

At the level of the Annual Financial Statements, the Management Board expected a slight decrease in the investment result (income and expenses from profit and loss transfer agreements) and net income for the year 2025.

Actual course of business – 1&1 AG

As it is the holding company within 1&1 Group, 1&1 AG's earnings are highly dependent on the development of the operating results of the subsidiaries. Revenues, which result entirely from intersegment services, amounted to €2.7 million (prior year: €1.9 million).

Net income from investments stood at €184.3 million (prior year: €330.2 million), comprising income from profit transfer agreements of €430.0 million (prior year: €478.4 million) and expenses from loss absorption of -€245.7 million (prior year: -€148.2 million). This reflects the earnings effects at the subsidiary level also visible in the Consolidated Financial Statements, specifically the lower operating result of 1&1 Telecommunication SE and increased depreciation and amortisation at 1&1 Mobilfunk GmbH. Other interest and similar income, at €74.6 million, remained largely in line with the prior year's figure of €80.4 million.

The net income amounted to €173.9 million (prior year: €289.1 million).

Segment development

The Group's business activities were previously divided into two reporting segments: Access and 1&1 Mobile Network. Following the acquisition of 1&1 Versatel on 1 December 2025, the internal reporting structure expanded to include a third segment: "1&1 Versatel".

The Access segment primarily targets private customers and consolidates the Group's fee-based Mobile Internet and Broadband products. The 1&1 Mobile Network business segment covers all activities related to the construction and operation of 1&1's own mobile network, and provides the Access segment with the necessary wholesale services for mobile products through intersegment service provision. At the core of the 1&1 Versatel segment lies the operation and marketing of its own fibre-optic network for business customers. This network also supports the operation of the 1&1 Mobile Network. Furthermore, the segment provides the Access segment with relevant wholesale services as part of its intersegment service provision.

The segment reporting is aligned with the internal organisation and reporting structure.

Access segment

1&1 once again invested in the acquisition of new customers and in the retention of current customer relationships in the Access segment in financial year 2025. Focus was on the marketing of mobile internet contracts. During the first half of 2025, the number of broadband customer contracts declined. The Group countered this trend by entering into strategic partnerships, with the aim of capturing future growth opportunities in the fibre market. These measures delivered results as the year progressed. By the fourth quarter of 2025, the Group had successfully reactivated its fibre marketing activities, resulting in a stable contract base.

Overall, the number of fee-based contracts in the Mobile Internet business grew by 40,000 to 12.48 million in the 2025 financial year. Broadband lines declined by 110,000 contracts to 3.84 million. Consequently, the total number of contracts in the Access segment stood at 16.32 million (prior year: 16.39 million).

Development of Access contracts in financial year 2025 (in millions)

| | 31.12.2025 | 31.12.2024 | Change |
|--------------------------|------------|------------|--------|
| Access, total contracts | 16.32 | 16.39 | -0.07 |
| of which mobile internet | 12.48 | 12.44 | 0.04 |
| of which broadband lines | 3.84 | 3.95 | -0.11 |

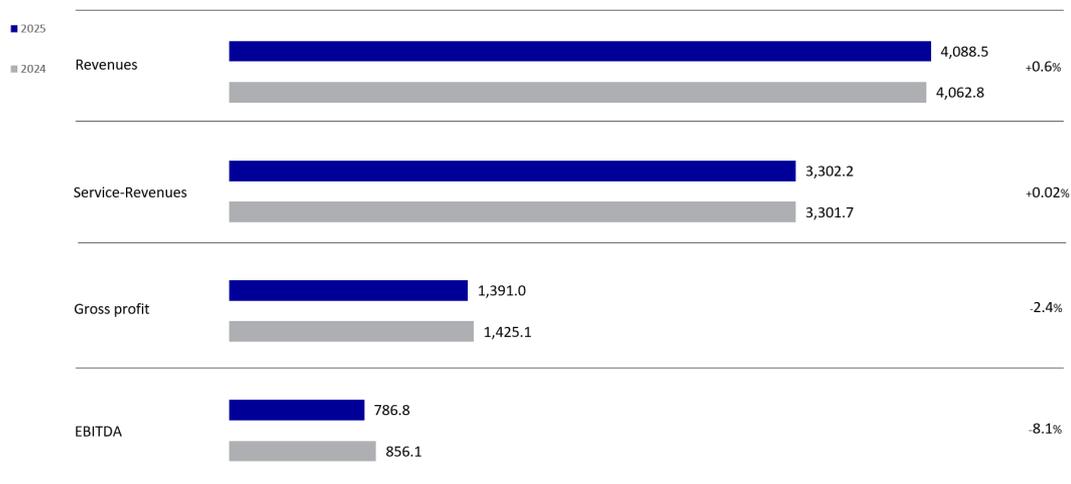
Development of Access contracts in 4th Quarter 2025 (in millions)

| | 31.12.2025 | 30.09.2025 | Change |
|--------------------------|------------|------------|--------|
| Access, total contracts | 16.32 | 16.34 | -0.02 |
| of which mobile internet | 12.48 | 12.48 | 0.00 |
| of which broadband lines | 3.84 | 3.86 | -0.02 |

Revenues in the Access segment increased by €25.7 million, or 0.6 per cent, to €4,088.5 million (prior year: €4,062.8 million). High-margin service revenues within this figure stood at €3,302.2 million (prior year: €3,301.7 million), remaining in line with the prior year. Cost of materials in the Access segment rose by €59.9 million to €2,697.5 million (prior year: €2,637.7 million), driven by both increased national roaming wholesale costs and a higher cost of goods sold resulting from increased hardware sales. Consequently, gross profit in the Access segment decreased from €1,425.1 million to €1,391.0 million.

The EBITDA segment is at €786.8 million (prior year: €856.1 million). This decline was primarily due to increased wholesale costs resulting from the Vodafone network growing more slowly than 1&1 had anticipated, as well as the switch in national roaming provider from Telefónica to Vodafone. Under the commercially equivalent national roaming agreement with Vodafone, the capacities used by 1&1 are recognised entirely in EBITDA. In contrast, under the national roaming arrangement with Telefónica, these capacities were partially capitalised and depreciated on a straight-line basis. Furthermore, following new findings in the course of a legal dispute, provisions for a potential compensation payment were increased by €12.3 million.

Major revenue and profit indicators in the Access segment (in €m)



1&1 Mobile Network segment

The 1&1 Mobile Network segment reports the income and expenses arising from the ongoing roll-out and operation of the 1&1 Mobile Network.

The financial year was characterised by the continued expansion and operation of the network, as well as the successful completion of the migration of existing customers. Despite delays in site provision by the primary supplier, Vantage Towers, the network performed exceptionally well and already achieved a "very good" rating in the connect benchmark. With household coverage reaching 27 per cent in December 2025, the Group exceeded the Federal Network Agency's competitive independence requirement.

EBITDA in the 1&1 Mobile Network segment remained unchanged from the prior year at -€265.3 million and includes the costs for the ongoing roll-out and operation of the 1&1 Mobile Network. Intersegment revenues of €467.4 million (prior year: €57.7 million) resulted from wholesale services provided to the Access segment. These revenues primarily comprise the provision of mobile wholesale services to the Access segment, termination rates, and revenues from responding to information requests from public authorities. Where 1&1 operates its own antenna sites, it generates mobile wholesale services itself; otherwise, these services are procured from Vodafone. Consequently, the increase in external procurement from Vodafone – driven by the growing number of users on the 1&1 Mobile Network – leads to a simultaneous rise in revenues and cost of sales. Following the completion of the migration in November 2025, the segment now provides wholesale services for all 12.48 million 1&1 customers with mobile contracts.

Cost of materials rose from €275,4 million in the prior year to €710,0 million. Recognised expenses primarily relate to interconnection costs for national roaming, non-capitalisable network infrastructure costs, and the operating expenses of the 1&1 Mobile Network.

1&1 Versatel segment

The 1&1 Versatel segment has been included in the Consolidated Financial Statements since 1&1 acquired the company on 1 December 2025. The segment makes significant contributions to Group earnings through the marketing of fibre products to business customers, the continued expansion of its own fibre-optic network, and the provision of intersegment wholesale services for the Access segment and the roll-out and operation of the 1&1 O-RAN mobile network.

1&1 Versatel was consolidated from December onwards. During this period, 1&1 Versatel's service revenue amounted to €29.8 million. Total revenue stood at €48.2 million, of which €8.0 million was generated from intra-group transactions. Segment cost of materials amounted to €26.7 million.

The following explanation refers to the full year 2025 by way of deviation. For the full 2025 calendar year, the 1&1 Versatel segment recorded a 2.1 per cent increase in revenues (2025: €586.7 million; 2024: €574.9 million). Fibre-optic connections stood at approximately 8.2 thousand. EBITDA rose by 1.3 per cent to €167.2 million (2024: €165.1 million), slightly trailing the growth in revenues. Despite an increase in recurring revenues and 5G intersegment revenues, as well as a reduction in external costs achieved through active cost management, this performance was driven in part by a deviation in the revenue mix.

The network fault rate was stabilised at a consistently low level of 3.5 per cent (2024: 3.5 per cent).

2.3 Position of the Group

Financial performance in the Group

In view of the first-time consolidation of 1&1 Versatel as at 1 December 2025, no pro forma figures are presented below. Instead, significant changes relating to the consolidation of 1&1 Versatel are included in the relevant notes to the Group's income statement, cash flow statement and balance sheet.

Financial performance in the Group (€ million)

| | 2025 | 2024 | Change |
|--|--------------|----------------|---------------|
| Sales revenue | 4,135.8 | 4,064.3 | 71.5 |
| Cost of sales | -3,201.5 | -3,022.1 | -179.4 |
| Gross profit from revenues | 934.3 | 1,042.2 | -107.9 |
| Distribution costs | -521.1 | -535.7 | 14.6 |
| Administration costs | -123.0 | -112.2 | -10.8 |
| Other operating income / expenses | 43.4 | 37.0 | 6.4 |
| Impairment losses | -125.4 | -121.9 | -3.5 |
| Results from operating activities | 208.2 | 309.4 | -101.2 |
| Financial result | -30.2 | -4.2 | -26.0 |
| Profit before taxes | 178.0 | 305.2 | -127.2 |
| Tax expenses | -12.3 | -92.4 | 80.1 |
| Group earnings | 165.7 | 212.8 | -47.1 |

Total revenues grew slightly by 1.8 per cent in the 2025 financial year, rising from €4,064.3 million in the prior year to €4,135.8 million. These revenues include €40.2 million in third-party revenues from 1&1 Versatel.

Sustainable, high-margin service revenues, which primarily result from billings to the existing customer base, remained stable at the prior-year level of €3,336.4 million or €3,306.6 million excluding 1&1 Versatel despite the challenges of 2025. The number of fee-based customer contracts decreased by -0.4 per cent compared to the prior year to 16.32 million.

Other revenues increased by 5.0 per cent to €799.4 million (prior year: €761.2 million). These primarily comprise subsidised smartphones, which are paid for by customers over their minimum term of their contract in the form of higher package prices. Excluding the consolidation of 1&1 Versatel, other revenues would have increased by 3.7 per cent to €789.0 million. This business fluctuates seasonally and its development depends heavily on the attractiveness of new devices and the model cycles of manufacturers. Since other revenues have low margins, these revenue fluctuations have no significant impact on EBITDA development.

The cost of revenue increased in financial year 2025 by €179.4 million or 5.9 per cent to €3,201.5 million (prior year: €3,022.1 million). Cost of sales in the Access segment recorded an increase of 1.8 per cent to €2,710.4 million (prior year: €2,661.6 million). This rise in the Access segment's cost of sales was driven primarily by three factors. Firstly, cost of goods sold increased in line with the growth in hardware sales. Secondly, wholesale costs for Mobile Internet exceeded those of the prior year, as national roaming wholesale costs with Vodafone are higher than the rates previously agreed with Telefónica. Finally, a provision for a potential compensation payment had to be increased by €12.3 million following new developments in a legal dispute with Telefónica.

The cost of sales in the 1&1 Mobile Network segment reached €912.4 (prior year: €418.1 million) and were primarily related to the expansion and operation of the 1&1 Mobile Network. Cost of sales also includes the cost of primary services from the national roaming agreement with Vodafone, which are recharged to the Access segment. Included in the cost of revenue were depreciation expenses for network technology and 5G spectrum licenses, totalling €186.0 million (prior year: €128.7 million).

Cost of sales in the 1&1 Versatel segment amounted to €54.1 million in December 2025.

The gross margin was 22.6 per cent (prior year: 25.6 per cent). Gross profit declined by €107.9 million (-10.4 per cent) from €1,042.2 million to €934.3 million. The primary drivers for the decline in gross profit were higher depreciation in the 1&1 Mobile Network and increased wholesale costs for Mobile Internet.

Selling expenses decreased by €14.6 million to €521.1 million (prior year: €535.7 million); this figure includes €12.1 million in costs from the 1&1 Versatel segment, with the remainder relating to the Access segment.

The cost development in the Access segment was driven by increased expenditure on intensified marketing activities and advertising campaigns, which was offset by lower depreciation and amortisation. In August 2025, the scheduled amortisation of hidden reserves for existing customer relationships – identified as part of the Drillisch acquisition – came to an end. As a result, amortisation was €28.2 million lower than in the prior year. As a percentage of total revenue in financial year 2025, distribution costs accounted for 12.6 per cent (prior year: 13.2 per cent).

Administration expenses rose from €112.2 million in the prior year (2.8 per cent of revenue) to €123.0 million (3.0 per cent of revenue). This increase was primarily due to higher consultancy costs. Administration expenses in the Access segment amounted to €108.5 million (prior year: €102.1 million). The administration expenses in the 1&1 Mobile Network segment amounted to €13.5 million (prior year: €10.0 million). During the period of consolidation, administrative expenses of €1.0 million were incurred in the 1&1 Versatel segment.

Other operating income/expenses amounted to €43.4 million (previous: €37.0 million) and comprised other operating income in the amount of €48.2 million (prior year: €40.2 million) and other operating expenses of €4.8 million (prior year: €3.2 million). The increase in other income was mainly driven by higher earnings from debt collection processes.

Impairment losses on trade receivables and contract assets amounted to €125.4 million, slightly exceeding the prior-year level (2024: €121.9 million). As a percentage of revenue, the impairment ratio remained unchanged at 3.0 per cent (prior year: 3.0 per cent).

EBITDA amounted to €537.5 million in 2025 (prior year: €590.8 million) and includes a €16.0 million earnings contribution from 1&1 Versatel. Excluding the EBITDA from 1&1 Versatel, the adjusted EBITDA decreased by 11.7 per cent compared to the same period in the prior year. While EBITDA in the Access segment fell by 8.1 per cent, EBITDA in the Mobile Network segment remained stable at the prior-year level. The development in the Access segment was primarily driven by increased wholesale costs for national roaming with Vodafone, as well as the addition to the provision for a legal dispute. The EBITDA margin came to 13.0 per cent (prior year: 14.5 per cent).

Earnings before interest and taxes (EBIT) in the 2025 financial year amounted to €208.2 million (prior year: €309.4 million). The EBIT margin came to 5.0 per cent (prior year: 7.6 per cent). Excluding the effects of PPA depreciation (depreciation on the assets recognised as part of the purchase price allocation in the merger of 1&1 and Drillisch), the EBIT came to €266.8 million and the EBIT margin was 6.5 per cent (prior year: €366.5 million or EBIT margin 9.0 per cent). This development was significantly influenced by increased wholesale costs, the provision for legal risks, and higher expenses related to the ongoing roll-out and operation of the 1&1 Mobile Network.

Financing costs in financial year 2025: €46.4 million (prior year: €20.6 million). The significant increase of €25.8 million was primarily driven by two factors: firstly, an increase in interest expenses from the accounting of lease liabilities related to the use of antenna sites. Secondly, since the beginning of the 2025 financial year, additional interest expenses have been incurred from the loan obtained at the start of the year from the Japan Bank for International Cooperation JBIC, which serves to co-finance strategic investments in connection with network expansion. The loan was formally taken out by United Internet and passed on to 1&1. Secondly, loans were taken out in December 2025 in connection with the acquisition of 1&1 Versatel. Finance income in the 2025 financial year amounted to €16.3 million (prior year: €16.5 million) and, as in the prior year, resulted predominantly from interest on cash investments with United Internet AG. This decrease was due to lower interest rate levels compared to the 2024 financial year.

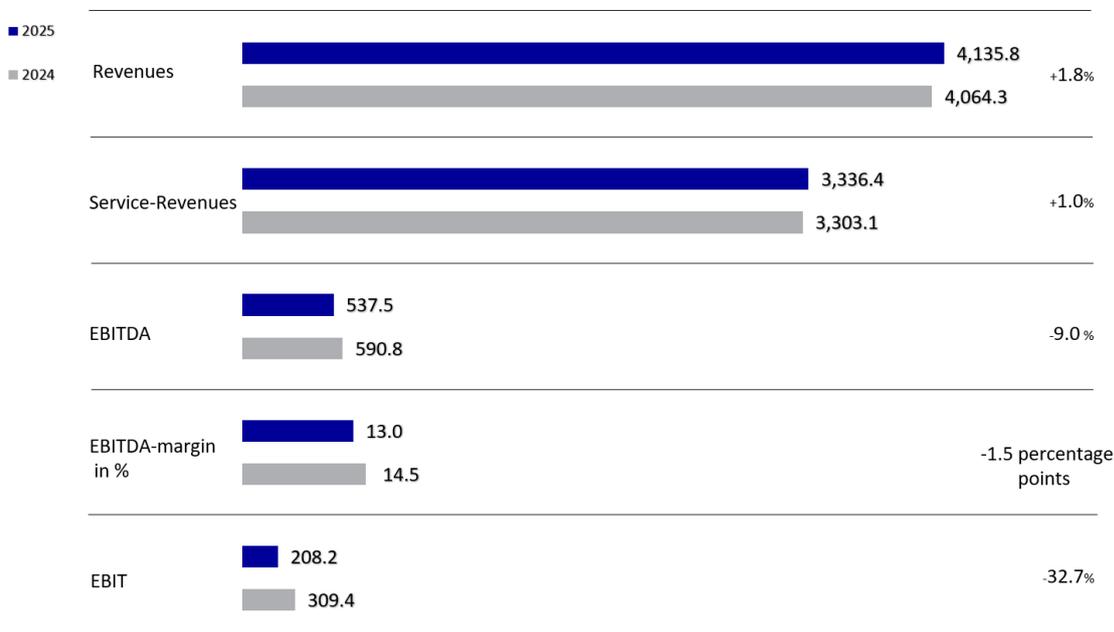
Earnings before taxes (EBT) in 2025 amounted to €178.0 million (prior year: €305.2 million). Tax expenses amounted to €12.3 million (prior year: €92.4 million). The tax rate is 6.9 per cent (prior year: 30.3 per cent). Following the mid-year acquisition of 1&1 Versatel, 1&1 is entitled to offset 1&1 Versatel's tax losses for

2025 against its own profits. This results in a correspondingly lower tax rate for the 2025 financial year, as 1&1 Versatel was only partially included in the consolidated net income.

Consolidated earnings amounted to €165.7 million (prior year: €212.8 million).

Basic earnings per share in financial year 2025 came to €0.94 (prior year: €1.21). Excluding the effects of the PPA depreciation, the basic earnings per share in financial year 2025 amounted to €1.17 (prior year: €1.43).

Major revenue and profit indicators (in €m)



Financial position in the Group

Development of Key Cash Flow Metrics (in € million)

| | 2025 | 2024 | Change |
|--|--------|--------|--------|
| Net inflow of funds from operating activities | 604.3 | 311.4 | 292.8 |
| Net outflow of funds in investment sector | -798.8 | -180.8 | -618.0 |
| Free cash flow | 195.1 | 20.8 | 174.3 |
| Net inflow or outflow of funds in financing sector | 198.1 | -129.7 | 327.8 |
| Cash and cash equivalents as at 31 December | 7.7 | 4.1 | 3.6 |

In financial year 2025, net cash inflows from operating activities increased to €604.3 million (prior year €311.4 million). The increase in net cash inflows from operating activities was primarily driven by changes in assets and liabilities, which had a positive impact of €105.1 million on cash flow during the financial year (prior year: negative cash flow contribution of -€182.9 million). This improvement resulted primarily from changes in deferred expenses. In the 2024 financial year, operating cash flow was impacted by prepayments related to the FTTH/VDSL quota agreement, which has been in place since April 2021. In the 2025 financial year, payments under this agreement significantly decreased as planned, resulting in a positive impact on cash flow. Further significant year-on-year changes were driven by a lower tie-up of funds in receivables and other assets, as well as to a reduction in inventory.

Net cash outflows from investing activities amounted to -€798.8 million (prior year: -180.8 million). Capital expenditure on intangible assets and property, plant and equipment, primarily for the roll-out of the 1&1 Mobile Network, accounted for €410.8 million (prior year: €291.0 million) of this total. Investments in 1&1 Versatel's network infrastructure for the month of December 2025 amounted to €19.9 million. Within the framework of short-term cash management, there was an outflow of available cash and cash equivalents in the amount of -€399.5 million (prior year: repayment of €91.0 million). Interest income from these investments amounted to €14.0 million (prior year: €19.1 million).

Free cash flow for financial year 2025, defined as net inflow of funds from operating activities less investments in intangible assets, and property, plant and equipment, plus inflow of funds from disposals of intangible assets, and property, plant and equipment, amounted to €195.1 million (prior year: €20.8 million).

Net cash inflows from financing activities amounted to €198.1 million (prior year: net cash outflows of -€129.7 million). In the 2025 financial year, 1&1 drew down loans from United Internet AG totalling €340.0 million. Of this amount, €290.0 million related to payments from the JBIC promotional loan and €50.0 million to bridge financing for 1&1 Versatel. Conversely, as in the prior year, outflows of €61.3 million were recorded for the redemption of liabilities related to the acquisition of 5G spectrum. In connection with the coverage of "white spots" (unserved areas) – a commitment undertaken by 1&1 in exchange for the deferral of frequency purchase payments – outflows of an interest-like nature amounting to €41.9 million (prior year: €45.5 million) were incurred. In addition, there were payments in the financial year related to the dividend disbursement and the repayment of liabilities from finance leases.

The cash and cash equivalents as of 31 December 2025 amounted to €7.7 million (31 December 2024: €4.1 million).

Regarding the acquisition of 1&1 Versatel, the economic purchase price of €1,300.0 million was settled by offsetting it against existing cash management balances and via a loan granted by United Internet AG.

Consequently, the transaction did not result in a cash outflow for 1&1. Furthermore, at the time of acquisition, 1&1 Versatel had a loan liability of €950.0 million towards United Internet AG, which was transferred to the 1&1 Group and increased by €50.0 million in December.

Assets and liabilities in the Group

Development of assets, liabilities and equity (in €m)

| | 2025 | 2024 | Change |
|----------------------------|-----------------|----------------|----------------|
| Short-term assets | 1,899.6 | 1,844.1 | 55.5 |
| Long-term assets | 9,107.8 | 6,286.0 | 2,821.8 |
| Total assets | 11,007.4 | 8,130.1 | 2,877.3 |
| Short-term liabilities | 1,206.8 | 730.6 | 476.2 |
| Long-term liabilities | 3,805.1 | 1,305.5 | 2,499.6 |
| Shareholders' equity | 5,995.5 | 6,094.0 | -98.5 |
| Balance sheet total | 11,007.4 | 8,130.1 | 2,877.3 |

The balance sheet total increased from €8,130.1 million as of 31 December 2024 to €11,007.4 million as of 31 December 2025. On the assets side, the increase was attributable to current assets in the amount of €55.5 million and non-current assets in the amount of €2,821.8 million.

At €7.7 million, cash and cash equivalents are €3.6 million above the prior year's level of €4.1 million. Trade accounts receivable rose by 11.0 per cent year-on-year to €377.5 million. This increase of €37.3 million resulted primarily from the inclusion of trade receivables from 1&1 Versatel amounting to €59.7 million. This was partially offset by a reduction in trade accounts receivable in the Access segment, which was due to billing cut-off dates.

Receivables from related parties increased by €49.8 million to €377.1 million. As of 31 December 2025, receivables from related parties of €372.5 million primarily comprised a receivable from United Internet AG arising from the final profit transfer of the acquired United Internet Management Holding SE. Conversely, the prior-year receivables from the investment of excess liquidity with United Internet AG were settled through offsetting as part of the 1&1 Versatel acquisition.

Inventories, which are almost exclusively attributable to the Access segment, amounted to €93.8 million (31 December 2024: €119.6 million) and were below the prior-year level. The reason for this was the planned further reduction in inventory levels.

Current contract assets primarily comprise receivables from hardware sales in the Access segment. As of the reporting date, these were €55.8 million below the prior-year figure. This decrease was mainly attributable to extended average contract terms, which led to a reclassification into non-current contract assets. Correspondingly, non-current contract assets increased by €44.2 million.

Short-term prepaid expenses rose from €321.0 million to €356.3 million and relate essentially to contract costs and prepaid utilisation fees that will not be recognised through expenditures until later periods. This increase of €40.7 million is almost entirely attributable to the first-time inclusion of 1&1 Versatel.

Other financial assets stood at €51.1 million, slightly above the prior-year level of €48.1 million. Excluding 1&1 Versatel, other financial assets would have amounted to €46.5 million. Income tax receivables amounted to €62.2 million, compared to €54.4 million in the prior year. This continued high level results from tax savings achieved by offsetting the taxable income of 1&1 Versatel at year-end. Other non-financial assets increased by €0.2 million compared to the prior year.

Long-term assets increased by €2,821.8 million to €9,107.8 million. The increase was attributable to non-current assets of 1&1 Versatel in the amount of €2,622.4 million. These primarily comprise property, plant and equipment of €1,941.3 million, goodwill of €398.3 million, and intangible assets of €222.3 million.

The increase in property, plant and equipment of €2,259.4 million includes €318.1 million relating to the existing Access and 1&1 Mobile Network segments; this resulted primarily from the accounting of right-of-use assets for leased antenna sites as part of the 1&1 Mobile Network roll-out and network infrastructure.

1&1 Versatel's property, plant and equipment primarily relates to telecommunications equipment (€1,067.3 million), right-of-use assets from network infrastructure, land and buildings (€570.5 million), and its own fibre-optic network infrastructure (€128.4 million).

Intangible assets increased by €158.1 million from €1,437.4 million in the prior year to €1,595.5 million. Excluding 1&1 Versatel, intangible assets would have decreased by €64.2 million to €1,373.2 million. This reduction was primarily due to scheduled amortisation of assets identified as part of the purchase price allocation (PPA) following the 1&1 and Drillisch business combination in 2017, as well as amortisation of spectrum licenses.

Goodwill amounted to €3,331.2 million (prior year: €2,932.9 million), with the change relating to 1&1 Versatel's goodwill.

As described above, non-current contract assets increased by €44.2 million.

Non-current deferred expenses decreased from €762.4 million as of 31 December 2024 to €697.3 million as of 31 December 2025. Excluding 1&1 Versatel, non-current deferred expenses would have fallen to €662.6 million. These primarily relate to prepayments made under long-term procurement agreements as well as capitalised costs of fulfilling and obtaining a contract. The decrease primarily results from advance payments made in prior periods under the contingent agreement with Deutsche Telekom, against which units are now being drawn.

On the equity and liabilities side, the increase in the total assets was attributable to liabilities in the amount of €2,975.8 million, while equity decreased by €98.5 million. Current liabilities increased from €730.6 million in the prior year to €1,206.8 million, and non-current liabilities rose from €1,305.5 million to €3,805.1 million.

As of 31 December 2025, liabilities attributable to 1&1 Versatel amounted to €1,943.8 million, comprising current liabilities of €415.3 million and non-current liabilities of €1,528.4 million. Current liabilities primarily relate to trade accounts payable of €281.9 million and other financial liabilities from lease liabilities of €90.2 million. Non-current liabilities mainly comprise loan liabilities to United Internet AG of €1,000.0 million and other non-current financial liabilities from lease liabilities of €438.6 million.

Current trade accounts payable increased from €349.5 million to €543.9 million. Excluding 1&1 Versatel, current trade accounts payable would have decreased to €262.0 million as of 31 December 2025. The figure as of 31 December 2024 was elevated due to reporting date effects and specifically included increased liabilities to network roll-out suppliers and hardware vendors resulting from delayed billing. This decrease was driven by the timely settlement of services and deliveries at the end of 2025.

Current liabilities to related parties concern companies within the United Internet Group and amounted to €204.4 million (31 December 2024: €163.3 million). These primarily include liabilities to United Internet AG arising from the acquisition of 1&1 Versatel in the amount of €246.1 million, offset by a cash management receivable of the same amount arising from the agreed loss compensation arrangement.

Contract liabilities increased from €55.1 million in the prior year to €59.6 million. These comprise current liabilities from refund obligations for one-off fees related to cancelled contracts, as well as deferred income from one-off fees in accordance with IFRS 15. Excluding 1&1 Versatel, contract liabilities would have decreased slightly to €50.0 million.

Other short-term provisions increased by €7.6 million and, as in the prior year, primarily relate to risks from pending litigation as well as decommissioning obligations.

The current other financial liabilities amount to €291.3 million (31 December 2024: €109.2 million). Excluding 1&1 Versatel, other current financial liabilities would have amounted to €189.8 million. Payment obligations from spectrum auctions increased by €67.0 million to €128.3 million. In early January 2026, the first instalment for the 2 GHz spectrum, which was previously reported as non-current, will become due. Furthermore, other current financial liabilities of €117.5 million (31 December 2024: €20.2 million) include in particular obligations from financing and lease liabilities for the rental of network infrastructure. Of this amount, €90.2 million relate to 1&1 Versatel.

Other current non-financial liabilities increased by €46.5 million to €72.0 million as of 31 December 2025. This increase resulted primarily from the fact that, as of 1 January 2025, 1&1 is no longer part of United Internet AG's VAT group. Since the 2025 financial year, the VAT liability has been reported under other non-financial liabilities. Furthermore, this item includes other current non-financial liabilities of 1&1 Versatel in the amount of €10.4 million, which primarily result from liabilities related to employee compensation claims.

The increase in non-current liabilities was driven in particular by non-current liabilities to related parties, which rose by €1,940.0 million. This includes a €290.0 million long-term loan granted by the Japanese promotional bank JBIC to finance investments in the 1&1 Mobile Network. Formally, the loan was taken out by United Internet and passed on to 1&1. Furthermore, as of December 2025, there is a shareholder loan from United Internet AG in the amount of €650.0 million arising from the acquisition of 1&1 Versatel. 1&1 Versatel also holds loan liabilities towards United Internet AG totalling €1,000.0 million.

Non-current trade accounts payable are attributable entirely to 1&1 Versatel and amounted to €1.4 million as of the reporting date.

The long-term contract liabilities in the amount of €23.0 million (31 December 2024: €9.1 million) include long-term income from one-time fees that is to be deferred in accordance with the application of IFRS 15. An increase of €15.5 million resulted from the first-time inclusion of 1&1 Versatel.

Long-term other financial liabilities increased by €475.1 million to €1,511.4 million. Excluding 1&1 Versatel, non-current other financial liabilities would have increased by €32.0 million to €1,068.3 million. While spectrum liabilities included in non-current other financial liabilities decreased by €128.2 million, lease liabilities arising from the rental of antenna sites for the 1&1 Mobile Network increased by €160.6 million. Additionally, liabilities from lease agreements increased by €438.6 million due to the inclusion of 1&1 Versatel in the scope of consolidation.

Non-current other provisions increased from €59.5 million to €85.5 million. Of this amount, €7.3 million relates to restoration obligations of 1&1 Versatel. The primary driver for the increase is the rising restoration obligations for antenna sites as part of the 1&1 Mobile Network roll-out

Deferred tax liabilities increased by €43.1 million from €200.7 million as of 31 December 2024 to €243.8 million as of 31 December 2025. Excluding the inclusion of 1&1 Versatel in the scope of consolidation, deferred tax liabilities would have decreased by €18.0 million to €182.7 million.

Group equity decreased from €6,094.0 million as of 31 December 2024 to €5,995.5 million as of 31 December 2025. In the Capital reserves fell by €255.8 million to €2,186.4 million (prior year: €2,442.2 million). The initial consolidation of 1&1 Versatel, United Internet Management Holding SE and A1 was carried out as a business combination under common control using the continuity of carrying amounts method. The difference between the purchase price and the net equity as recorded by the selling entity at the time of the transaction, was offset against equity with no effect on profit or loss, which led to the reduction in capital reserves of €253,2 million. The remaining change in capital reserves resulted from the accounting and issuance under the SAR programme.

Accumulated consolidated net income increased by the consolidated net profit for the year of €165.7 million, which was partially offset by the dividend payment of €8.8 million.

The equity ratio decreased from 75.0 per cent in the prior year to 54.5 per cent as of 31 December 2025, primarily due to the increase in non-current liabilities to related parties.

The subscribed capital is distributed in 176,764,649 no-par shares issued to the bearer with a proportionate share in the share capital of €1.10. As of the reporting date, 1&1 AG held 248,660 treasury shares (31 December 2024: 465,000); the issued share capital of 1&1 AG therefore amounts to €194.2 million.

General statement from the Management Board regarding the Group's economic position

In the 2025 financial year, activities focused primarily on the continued network roll-out and the migration of the existing customer base to the 1&1 Mobile Network. From the perspective of the Management Board of 1&1 AG, both areas progressed very successfully, leading to an overall positive conclusion.

Regarding the network roll-out, 1&1 succeeded in slightly exceeding the coverage target of 25 per cent of households mandated by the spectrum auction by the end of 2025. By late December 2025, the 1&1 Mobile Network was able to reach 27 per cent of German households. Consequently, the Management Board considers the network roll-out to be fully on track, in line with the continued high level of investment in the 1&1 mobile network.

The migration of existing customers was completed in early November 2025, also significantly ahead of the 31 December 2025 deadline. Given the sheer number of customers to be migrated, this was an exceptionally complex migration project. Achieving this in less than two years following the activation of mobile services

on the 1&1 Mobile Network represents a central milestone and a major success for 1&1 in the view of the Management Board.

The Management Board is also very satisfied with the quality of the mobile network, following the first independent test by the trade magazine "connect", which concluded with a "very good" rating. The 1&1 Mobile Network also achieved "good" to "very good" results in the IMTEST review.

Accordingly, the Management Board is highly satisfied with the company's performance in 2025.

With the integration of 1&1 Versatel, 1&1 has also incorporated one of Germany's largest and most powerful fibre-optic networks into the Group. This network not only serves fixed-line customers but also ensures high-performance connectivity for the antenna sites and data centres of the 1&1 Mobile Network. This sustainably increases autonomy as a network operator. Simultaneously, the Management Board views the acquisition as an expansion of the portfolio to include a substantial B2B business branch.

Alongside these major successes, however, the Management Board continues to see challenges in product marketing. The development of the customer base fell short of expectations and so represents a key area of action for the coming years. In the fibre-optic product segment, the downward trend was countered by concluding strategic fibre-optic partnerships. Initial positive effects were already evident in the end of 2025, and the contract base was stabilised. Despite the decline in the contract portfolio, the key service revenue figure remained stable at the previous year's level. Although the mid-year adjustment to the EBITDA forecast, due to the differing trends in data usage compared with Vodafone, has had a negative impact on profitability, the 1&1 Executive Board considers this to be a temporary effect. The Management Board therefore takes a differentiated view of the operational business performance.

Overall, the Management Board regards 1&1 Group to be in an excellent position for its continued corporate development, both as of the closing date of financial year 2025 and at the point in time of preparation of this report. The Board has a positive assessment of the assets and liabilities, the financial position and earnings and is optimistic in its outlook for the future.

2.4 Position of the Company

Financial performance of 1&1 AG

Financial performance of 1&1 AG (in € million)

| | 2025 | 2024 | Change |
|--|--------------|--------------|---------------|
| Sales revenue | 2.7 | 1.9 | 0.8 |
| Other operating income | 1.0 | 0.4 | 0.6 |
| Cost of materials | -1.3 | 0.0 | -1.3 |
| Personnel expenses | -12.4 | -3.9 | -8.5 |
| Depreciation | -0.2 | -0.2 | 0.0 |
| Other operating expenses | -13.0 | -12.4 | -0.6 |
| Income from profit transfer agreements | 430.0 | 478.4 | -48.4 |
| Expenses from loss transfers | -245.7 | -148.2 | -97.5 |
| Other interest and similar income | 74.6 | 80.4 | -5.8 |
| Write-downs on financial assets | 0.0 | 0.0 | 0.0 |
| Interest and similar expenses | -19.8 | -7.9 | -11.9 |
| Profit before taxes | 215.9 | 388.5 | -172.6 |
| Taxes | -42.0 | -99.4 | 57.4 |
| Net profit for the year | 173.8 | 289.1 | -115.3 |

At the level of the Annual Financial Statements of 1&1 AG prepared in accordance with commercial law principles, sales revenues rose to €2.7 million (prior year: €1.9 million). The sales revenues result primarily from intra-Group services. Cash and cash equivalents amount to €1.0 million subsequent to €0.4 million in the prior year.

Personnel expenses amounted to €12.4 million (prior year: €3.9 million). An amount of €8.0 million of the change relates specifically to the issued SAR agreements. Due to the significant increase in the share price of 1&1 AG underlying the SAR agreements, an allocation to provisions was required in the 2025 financial year. Other operating expenses amounted to €13.0 million, slightly above the prior-year level (prior year: €12.4 million).

Income from profit transfer agreements amounted to €430.0 million, which is €48.4 million below the prior-year figure (prior year: €478.4 million), and primarily relates to the profit transfer from 1&1 Telecommunication SE in the amount of €429.0 million (previous year: €478.4 million). The decline in profit transfers from 1&1 Telecommunication SE is primarily attributable to higher wholesale costs relating to national roaming and the addition to the provision for legal disputes.

Expenses from loss absorption amounted to -€245.7 million (prior year: -€148.2 million). This increase is attributable to higher depreciation and amortisation resulting from the ongoing roll-out of the 1&1 Mobile Network within the subsidiary 1&1 Mobilfunk GmbH, which is absorbed by 1&1 AG under the terms of the profit and loss transfer agreements. Furthermore, following the acquisition of 1&1 Versatel during the financial year, the company's loss for December, amounting to €25.0 million, was recognised for the first time.

Interest income amounted to €74.6 million (prior year: €80.4 million), remaining essentially at the prior-year level, and primarily comprises interest income on receivables within the framework of group-wide cash management as well as interest income arising from profit transfers.

Interest expense rose to €19.8 million (prior year: €7.9 million) and includes interest expenses within the framework of group-wide cash management as well as from loans from affiliated companies. At the beginning of the year, 1&1 received a long-term loan of €290.0 million. The loan, which was formally obtained via United Internet AG, is provided by the Japanese promotional bank JBIC to finance investments in the 1&1 Mobile Network. Furthermore, as of December 2025, there is a shareholder loan from United Internet AG in the amount of €650.0 million, which was granted in connection with the acquisition of 1&1 Versatel.

Taxes on income amounted to €42.0 million (prior year: €99.4 million). The significantly lower tax rate of 19.5 per cent (prior year: 25.6 per cent) compared to the prior year resulted from the inclusion of 1&1 Versatel in the tax group (tax unity for income tax purposes) of 1&1 AG. Due to the intra-year acquisition, 1&1 AG was entitled to offset 1&1 Versatel's tax loss against its own profits for the year 2025.

This resulted in a net profit for the year of €173.9 million in the 2025 financial year (31 December 2024: €289.1 million).

Assets and liabilities and financial position of 1&1 AG

Total assets of 1&1 AG increased by €1,719.1 million to €9,200.6 million in the 2025 financial year (31 December 2024: €7,481.5 million).

Fixed assets rose to €6,712.7 million (31 December 2024: €5,161.5 million). The increase resulted primarily from business acquisitions. During the 2025 financial year, A1 Marketing, Kommunikation und neue Medien GmbH was acquired for acquisition costs of €4.0 million, and United Internet Management Holding SE, the sole shareholder of 1&1 Versatel, was acquired for acquisition costs of €1,546.1 million.

Current assets rose by €168.9 million to €2,488.0 million (31 December 2024: €2,319.0 million). This was driven in particular by an increase in receivables from affiliated companies to €2,419.9 million (31 December 2024: €2,260.9 million). These primarily comprise cash pool receivables from companies within the 1&1

Group amounting to €1,929.4 million (31 December 2024: €1,443.6 million). The increase primarily relates to cash pool receivables from 1&1 Mobilfunk GmbH due to ongoing investments in the 1&1 Mobile Network. The receivable from United Internet AG amounting to €322.4 million reported in the prior year was settled during the course of the year following partial offsetting against the purchase price for 1&1 Versatel.

Other assets increased by €5.8 million to €62.1 million (31 December 2024: €56.3 million). This increase in other assets resulted in particular from an increase in income tax receivables due to the reduced tax rate following the acquisition of 1&1 Versatel.

The liquidity of 1&1 AG is ensured by the positive cash flows from operating activities of its subsidiaries. Moreover, within the framework of the cash management agreement concluded between 1&1 AG and United Internet AG in financial year 2018, 1&1 can draw on a maximum of €200.0 million in cash from United Internet AG, securing 1&1's financing capability. In January 2025, 1&1 and United Internet also entered into a loan agreement that enables the on-lending of external financing concluded by United Internet to 1&1. The agreement has a volume of €800.0 million, of which €290.0 million has been drawn down by 1&1 to date.

Cash and cash equivalents amounted to €5.9 million, compared to €1.9 million in the prior year.

Equity increased to €7,180.5 million (31 December 2024: €7,012.6 million). The change results from the profit for the year of €173.9 million and the disbursement of dividends in the amount of €8.8 million. Furthermore, treasury shares were issued to executives of the 1&1 Group under the SAR programme during the 2025 financial year, resulting in an increase of €0.2 million in subscribed capital and €2.6 million in retained earnings. The equity ratio decreased to 78.0 per cent (prior year: 93.7 per cent), primarily due to the increase in liabilities to affiliated companies.

As of 31 December 2025, tax provisions amounted to €11.8 million (prior year: €11.5 million). Other provisions stood at €12.7 million (31 December 2024: €5.0 million), representing an increase over the prior-year figure. This increase is attributable to an allocation to provisions for the SAR programme in the amount of €6.2 million, resulting from the intra-year rise in the underlying share price. Furthermore, provisions for legal and advisory costs increased by €0.6 million, and provisions for short-term litigation risks rose by €0.5 million.

Liabilities increased from €452.5 million in the prior year to €1,995.6 million. This increase resulted primarily from a €1,487.1 million rise in liabilities to affiliated companies. These include both the loans granted by United Internet AG amounting to €940.0 million and the liability arising from the compensation obligation to United Internet AG amounting to €246.1 million. In addition, as in the previous year, the majority of liabilities are owed to Drillisch Online GmbH. These consist, on the one hand, of cash pool liabilities amounting to €458.3 million (31 December 2024: €268.2 million) and, on the other hand, of the obligation arising from the assumption of losses incurred by Drillisch Online GmbH due to its obligation to offset the losses of 1&1 Mobilfunk GmbH.

Trade payables increased by €23.1 million due to an invoice received close to the reporting date for hardware intended for resale within the subsidiaries' operating activities.

Other liabilities rose from €0.1 million in the prior year to €33.0 million. A total of €29.9 million of this increase results primarily from the fact that, as of 1 January 2025, 1&1 AG is no longer part of the VAT group of United Internet AG. Since the 2025 financial year, the VAT liability has been reported under other tax liabilities. Also, payroll and church tax payable increased by €2.7 million.

As in the prior year, an excess of deferred tax assets arose in financial year 2025 but was not recognised, in accordance with Section 274 (1) sentence 2 HGB.

General statement regarding the Company's economic position

1&1 AG's Management Board views the Group's operational business performance positively, owing to the success of the customer migration and the progress made in the network roll-out. However, this effect is expected to be reflected in the investment result relevant to 1&1 AG only from next year onwards. As outlined above, the contribution to earnings from the subsidiaries was adversely affected by higher upstream service costs and the increase in provisions for litigation. As a result, for the 2025 financial year, this leads to a reduced investment result and net profit that go beyond the expected slight decline.

Overall, the Management Board regards 1&1 AG to be in an excellent position for its continued corporate development, both as of the closing date of financial year 2025 and at the point in time of preparation of this report. The Board has a positive assessment of the assets and liabilities, the financial position and earnings and is optimistic in its outlook for the future.

Against the background of the acquisition of 1&1 Versatel and the loans taken out in this connection, as well as the continued requirement for future investments in the network roll-out, the Management Board of 1&1 AG submits the following dividend proposal for the 2025 financial year to the Supervisory Board, which is in line with the dividend policy:

- Disbursement of a dividend of €0.05 per share. This proposal is based on the minimum dividend provided for in Section 254 (1) AktG. Assuming 176.5 million shares entitled to dividends, this would result in a total disbursement of €8.8 million for financial year 2025.

Management Board and Supervisory Board will discuss this dividend proposal in the Supervisory Board meeting on 17 March 2026. The Annual General Meeting of 1&1 AG will adopt a decision about the motion proposed jointly by Management Board and Supervisory Board on 20 May 2026.

2.5 Principles and Objectives of the Financial and Capital Management

The financing of the Group is handled centrally by the parent company 1&1 AG. The top priority of the financial management at 1&1 is to secure the Company's liquidity at all times. Liquidity reserves are always maintained in such an amount that any and all payment obligations can be met on time. Liquidity is secured on the basis of detailed financial planning. Business operations are financed from cash flow and free cash. Surplus liquidity is invested with the parent company United Internet AG at arm's length conditions as part of short-term cash management.

In view of the construction of its own mobile network, 1&1 is planning to maintain its high level of capital expenditure in the coming years. The Management Board expects to be able to finance the majority of these investments from current operating cash flows and free cash and cash equivalents. Additionally, 1&1 has access to external financing of up to €800.0 million through United Internet. In the 2025 financial year, 1&1 drew down €290.0 million in view of upcoming investments, followed by a further €225.0 million at the beginning of 2026.

To fund the acquisition of 1&1 Versatel, 1&1 utilised its cash management balances with United Internet AG and also took out a loan of €650.0 million from United Internet AG. Furthermore, consolidated liabilities now include €1,000.0 million in loan liabilities from 1&1 Versatel.

The loans are due for repayment between 2030 and 2032, although early repayment is possible at any time without incurring additional costs. The interest rate is variable and is based on a publicly available base rate plus a standard market margin.

Given the ongoing investments in the 1&1 Mobile Network, the Group intends to use future surplus cash flows primarily to repay loans, thereby reducing its interest burden over the medium and long term. In this sense, the 1&1 AG Management Board will propose to the Annual General Meeting the adoption of a resolution for the disbursement of a dividend in line with the legal minimum for financial year 2025 as well.

In addition to the investments required for the further expansion of the mobile network and the fiber-optic network, the repayment of loans will be a priority in the coming years. Accordingly, no liquidity is expected to be available in the foreseeable future for distributions exceeding the minimum dividend.

2.6 Corporate Responsibility

The Management and Supervisory Boards of 1&1 AG consider it their duty to ensure the continued existence of the Company and sustainable added value through responsible corporate governance oriented to the long term. The fundamental philosophy of 1&1 sees entrepreneurial action as going beyond the pursuit of commercial goals to include a commitment to society, the environment, employees and other stakeholders.

In keeping with this philosophy, 1&1 AG complies with its reporting obligation pursuant to the "Act to Strengthen Non-Financial Reporting by Companies in their Management and Group Management Reports" (*CSR-Richtlinie-Umsetzungsgesetz; CSR-RUG*) (Sections 315b and 315c in conjunction with Section 289c HGB) and publishes a Separate Non-financial Group Report (NFB). Furthermore, the Company also fulfils its reporting obligation pursuant to the Delegated Regulation (EU) 2020/852 of the European Parliament (EU Taxonomy Regulation) and discloses the share of environmentally sustainable business activities in the non-financial Group report.

The Company's Separate Non-financial Group Report will be published in March 2026 (at <https://www.1und1.ag/the-company#nachhaltigkeit>) and fulfills both the disclosure requirements under the CSR-RUG and further transparency requirements of the stakeholders. For the 2025 financial year, 1&1 AG aligned the structure and presentation of its information with the European Sustainability Reporting Standards (ESRS) of the Corporate Sustainability Reporting Directive (CSRD). The Sustainability Statement (NFE) published in the separate report contains the statutory disclosures as well as supplementary information on the business model and the aspects material to 1&1, namely environmental, employee and social matters, respect for human rights, and anti-corruption and anti-bribery measures. The Group supplemented the minimum requirements specified in the CSR-RUG with company-specific information on the overarching themes of "Ensuring Digital Inclusion" and "Customer and Product Experience". These are material topics for 1&1 and must be reported. The double materiality principle was applied when determining the content of the non-financial report. Both the CSR-RUG and the ESRS expect a presentation of how the key issues and their impacts are managed, in particular the associated concepts, goals and measures. What is more, we have consulted the European Commission's guidelines for reporting on non-financial information, which refer to the EU Directive 2014/95/EU regarding disclosure of non-financial and diversity information by certain large undertakings and groups on which the CSR-RUG is based.

The Supervisory Board of the Company is responsible for reviewing the content of the sustainability reporting.

3. Report on Subsequent Events

On 5 January 2026, 1&1 drew down a further €225 million from the JBIC promotional loan via United Internet.

Negotiations between 1&1 and the other mobile network operators regarding the cooperative, joint use of equivalent spectrum below 1 GHz have so far been unsuccessful. Consequently, on 17 February 2026, the Federal Network Agency initiated a written hearing concerning an order for the cooperative, shared use of equivalent frequencies below 1 GHz within the 1&1 Mobilfunk GmbH expansion areas. The parties involved have until 18 March 2026 to comment on potential amendments to the spectrum allocations.

The large-scale attack launched by the US and Israel against Iran at the end of February marked the start of the 2026 Iran War. Iran responded to these attacks with counterattacks on Israel and on various countries and targets throughout the Middle East, including the Strait of Hormuz, which is vital for international shipping, the global energy supply and global supply chains. The 1&1 Group does not operate in Iran or the Middle East as part of its business activities. Israel, Iran and the Middle East as a whole are also not target markets for 1&1 companies, and the Group does not maintain any locations in the aforementioned countries and regions. Against this background, 1&1 currently does not anticipate any significant impact on the business development and financial position of the company or the Group, particularly as the Group's business model is based on a large number of electronic subscriptions with fixed and moderate monthly fees and contractually agreed terms. This ensures stable and predictable revenue and cash flows and offers protection against economic fluctuations. Nevertheless, the economic consequences of the war (such as shortages or price increases for oil, gas and raw materials, or disrupted supply chains from the Far East) cannot yet be specifically assessed for the 1&1 companies or for 1&1 itself. The same applies to the potential risk of the war spreading to other countries.

4. Risks, Opportunities and Forecast Report

4.1 Risk report

The 1&1 Group's risk and opportunity policy is oriented to the goal of maintaining and sustainably increasing the Company's value by taking advantage of opportunities and identifying and controlling risks at an early stage. The risk and opportunity management as practised ensures that 1&1 can carry out its business operations in a controlled corporate environment.

The risk and opportunity management regulates the responsible handling of uncertainties that are always a part of entrepreneurial activities.

Risk management

The Risk Management System is an integral component of corporate policy aimed at early detection and justifiable limitation of risks. 1&1 operates a Risk Management System throughout the Group that includes continuous monitoring to ensure early identification and the standardised recording, assessment, control and monitoring of risks. These standards are constantly adapted to changing framework conditions and continuously developed.

To ensure the Company's consistent success in the conflict between opportunities for profit and the threat of loss, risks are taken into consideration during the decision-making process systematically and in accordance with standards that uniform throughout the Group. Risk management is a strategic success factor for corporate management, for 1&1 AG itself as well as for the subsidiaries.

The system complies with the legal requirements for an early risk detection system, is in harmony with the German Corporate Governance Code and in its design is based on the guidelines defined in the international ISO standard ISO 31000:2018. The Supervisory Board reviews the effectiveness of the Risk Management System in accordance with the provisions of the Stock Corporation Act.

Risk management methods and objectives

The Risk Management System comprises the measures that enable 1&1 to identify at an early stage potential risks that could jeopardise the achievement of its corporate objectives through, for example, assessments and early warning systems and to identify, control and monitor them from the perspective of monetary and scenario criteria. The goal of the IT-supported Risk Management System established throughout the Group

is to provide management with the greatest possible transparency regarding the actual risk situation, its changes and the available options for action to enable the conscious acceptance or avoidance of risks.

The Management and Supervisory Boards receive reports on the risk situation four times a year. The results are discussed by both the Management Board and the Supervisory Board, in particular by the Audit and Risk Committee set up for this purpose. An ad hoc reporting obligation is triggered in the event of identified significant risks and risk changes that have an immediate effect. The risk is immediately reported to the 1&1 AG chief financial officer, who may also choose to report to the Supervisory Board. The procedure means that significant risks can be addressed as quickly as possible.

The assessment of risks is carried out in a net consideration, i.e. effects due to mitigating measures are taken into account in the risk assessment solely after the implementation of the measure.

Internal Control System¹

The Internal Control System (ICS) of 1&1 AG encompasses the entire organisation and serves to maintain the functionality and efficiency of business processes, the reliability of operational information, the safeguarding of assets and compliance with rules. In this sense, the controls that are in place include compliance with the target processes, the "principle of two sets of eyes" and the separation of functions. The controls are defined on the basis of uniform categorisations per process and are carried out partly centrally and partly locally throughout the Group. Defined processes involving the competent positions in the business divisions and process experts ensure that process and organisational risks are countered by preventive measures. All units of the Group jointly assess the existence of organisational and process risks in cooperation with risk management and assess whether these could have an impact on the ICS. Steps for the improvement of the ICS that also involve consultations with experts are initiated regularly. Monitoring is based on the three pillars of risk management, United Internet AG's Group audit and external auditors. Group Internal Audit evaluates and improves governance processes and risk management and assesses the adequacy and effectiveness of the ICS during audits, which are regularly conducted on a random basis.

¹The information in the marked sections constitutes non-management report disclosures within the meaning of the preliminary remarks to this Management Report.

Description of the major features of the Internal Control and Risk Management with respect to the accounting process

The Internal Control System in 1&1 Group includes all of the principles, procedures and measures needed to secure the effectiveness, correctness and economic efficiency of the accounting and to assure compliance

with the pertinent legal requirements. Besides the manual process controls in the form of the "two sets of eyes principle", automatic IT process checks also form a major part of the integrated controlling measures.

The Risk Management System in 1&1 Group as a component of the Internal Control System is oriented, with respect to the accounting, to the risk of misrepresentation in the bookkeeping and the external reporting. The bookkeeping systems from the manufacturer SAP are used for the posting of accounting items in 1&1 Group, while the consolidation software IDL from the provider insightsoftware is used at Group level.

To ensure consistent and proper Group financial reporting, the process is supported by supplementary procedural guidelines, e.g., the accounting policy, standardised reporting formats, IT systems, and IT-supported reporting and consolidation processes. The Group Accounting Department ensures that these requirements are uniformly applied across the entire Group. The punctual and proper execution of accounting-related processes and systems within Group companies is further supported by the integration of shared services for accounting.

Risks related to accounting can arise from the conclusion of unusual or complex transactions, for example. Moreover, business transactions that are not handled as a matter of routine entail latent risks. The measures of the Internal Control System related to the correctness of the accounting ensure that all of the business transactions are recorded completely and contemporaneously in conformity with legal and statutory requirements. Furthermore, it is ensured that assets and liabilities are recognised, measured, and disclosed correctly in the financial statements. The control activities include the analysis of material circumstances and developments, for example, using special indicator systems. The organisational separation of administrative, executive, billing and approval functions significantly reduces vulnerability to fraud. The Internal Control System also assures the representation of changes in the economic or legal environment of 1&1 Group and ensures the application of any new or amended legal provisions for the accounting.

Summarised assessment of the Internal Control and Risk Management System:

Based on its regular review of the Internal Control System and Risk Management System, the Management Board is not aware of any significant circumstances as of the date of preparation of the Combined Management Report that would call into question the adequacy and effectiveness of these systems.¹ In financial year 2024, the Risk Management System underwent an audit in accordance with IDW PS 981 by an independent auditing firm. The auditors concluded that the Risk Management System implemented at 1&1 is

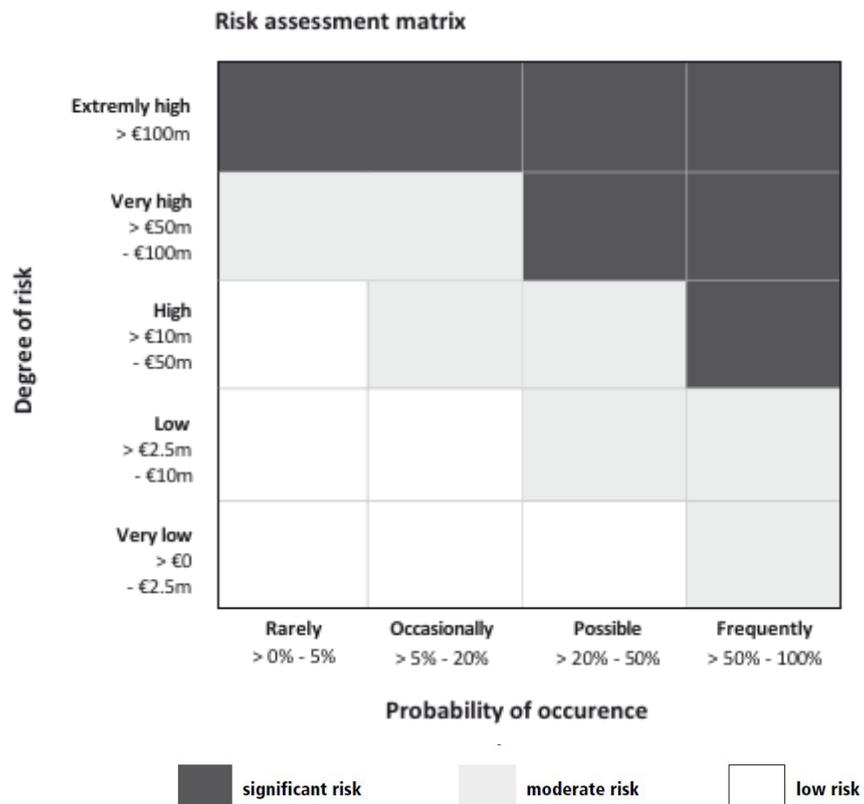
appropriate and effective.¹The information in the marked sections constitutes non-management report disclosures within the meaning of the preliminary remarks to this Management Report.

¹The information in the marked sections constitutes non-management report disclosures within the meaning of the preliminary remarks to this Management Report.

Risks in the 1&1 Group

The assessment of the overall risk situation is the result of a consolidated consideration of all known material risks. From the totality of these risks identified in the Group, the following sections explain the main risk areas from the Company's point of view.

The starting point for assessing the materiality of the risks is the likelihood of occurrence and the extent of the risk. The extent of the risk includes the potential loss of revenue and potential external and internal expenses. Based on the combination of likelihood of occurrence and extent of risk, the risks are categorised into the three risk ratings "Significant", "Moderate" and "Low" as follows.



Specific assessments by the Company's Management Board regarding the risk situation of the Group as well as the likelihood of occurrence, potential harm or loss and the resulting risk classification of the risks described below can be found at the end of this Risk Report.

Risks in the area of "Strategic Market & Business Risks"

Sales market and competition

The German telecommunications market is characterised by stiff and constant competition. Depending on the strategy of the players participating in the market, various effects can appear that may require *inter alia* a modification of the Company's own business model or adjustments in its own price policies. New competitors entering the market or changing customer demands could put market share, growth targets, or profit margins at risk.

In its wholesale business segment, 1&1 Versatel generates high individual revenues with its partners. This could result in a risk of dependency on a few major customers; consequently, the termination of individual business relationships would have a perceptible impact on the Group's revenue and earnings position.

1&1 seeks to minimise these risks with detailed planning based on in-company experience values and external market studies as well as the constant monitoring of market and competition.

The risk rating increased from Low to Moderate compared to 31 December 2024. This change stems from the integration of 1&1 Versatel into the Risk Management System of 1&1 AG.

Procurement market

Delays or gaps in the procurement of essential resources for business operations may lead to bottlenecks or operational disruptions at 1&1. This includes hardware and software procurement as well as third-party services. Changes in pricing structures or billing models could negatively impact margins and earnings.

The operation of the 1&1 Mobile Network requires increased electricity consumption, which is expected to rise further as network expansion continues. Rising energy prices as a result of political measures or for ecological reasons can have a negative impact on added value.

At 1&1 Versatel, a temporary or persistent shortage of resources, such as a lack of civil engineering contractors, could jeopardise the planned provision of services or the scheduled expansion of the network infrastructure. This poses a threat of revenue losses or, in the event of a network failure, contractual penalties.

1&1 counters these risks by cooperating in partnership with multiple service providers and suppliers bound by long-term contracts and – insofar as economically justifiable – expanding its own added-value chain.

A shift from Low to Moderate was recorded compared to 31 December 2024. Here, too, the change stems from the integration of 1&1 Versatel into the Risk Management System of 1&1 AG.

Participations and investments

The acquisition and holding of participating interests and other investment activities represent a significant success factor for 1&1 AG. Besides enabling better access to existing and new growth markets and to new technologies and know-how, participations and investments also serve to develop synergy and growth potential. These opportunities are accompanied by risks. There is a risk that the hoped-for potential cannot be exploited as expected or that acquired investments will not develop as expected (write-downs of going-concern value, losses on disposals, loss of dividends or reduction in hidden reserves).

All participations are therefore subject to a continuous monitoring process. This risk is largely irrelevant for the EBITDA as its occurrence results primarily in non-cash impairment losses. The recovery value of the investments that have been made is regularly monitored by management and financial controlling.

Compared with the previous year, the risk assessment shows no change and is still classified as low.

Business development and innovation

Within the context of the diversification of the business model and the expansion of the added-value chain, 1&1 occasionally enters new markets or upstream or downstream markets. For example, the Management Board of 1&1 AG, with the approval of its Supervisory Board, has decided to build and operate a high-performance 5G mobile network based on the mobile frequencies in the 2 GHz and 3.6 GHz bandwidths acquired in 2019. By constructing and operating its own network, the Company plans to further increase the added value in the mobile communications business, to open up new business areas and to obtain greater independence from the procurement of advance services from other network operators.

1&1 is building the mobile network in a special partnership with the Japanese technology Group Rakuten as general contractor. Together, Rakuten and 1&1 are building Europe's first fully virtualised mobile network based on the innovative Open RAN technology. The use of Open RAN technology increases independence from network outfitters. There are still risks that the network cannot be built at the expected speed. Problems in procuring the necessary hardware or delays in finding sites are potential risks.

1&1 has placed great emphasis on minimising these risks during the selection of its partners for the network construction. For example, Rakuten, the general contractor partner for active network technology, was the first network outfitter in the world to build a mobile network based on the new Open RAN technology in Japan, so 1&1 can benefit from the experience and learning curve from this project. The partners for the passive technology are established leaders for radio tower infrastructure in Europe so that 1&1 can benefit from an infrastructure that is already in place.

Nevertheless, there were delays in the construction of antenna sites, especially at the beginning of network construction. The delays were due to delivery problems of subcontractors. Delays in network construction can force the procurement of more wholesale services and products than planned until the mobile network is fully built, which would have a negative impact on added value. Wanting to counter these risks adequately, 1&1 has entered into further partnerships for the acquisition of antenna sites as and for its own construction of antenna sites.

1&1 counteracts these risks by closely and constantly monitoring market, products and competition and by responding to customer feedback at all stages of product development.

Compared with the previous year, the risk assessment shows no change and is still classified as low.

Force majeure

External events such as natural disasters (earthquakes or floods), personnel crises (pandemics or epidemics) or infrastructural crises (damage to the road network, restriction of the energy supply) can lead to obstruction of 1&1's business operations.

1&1 mitigates these risks where possible through a wide range of measures. Examples include the implementation of building access restrictions, the operation of geographically redundant data centres, hygiene measures, location-independent workplaces, the use of modern communication tools to minimise travel, and the development of contingency plans.

Compared with the previous year, the risk assessment shows no change and is still classified as low.

Regulatory environment

Changes in current legislation, the passage of new laws and changes in government regulatory actions can have unexpectedly negative effects on the business models in place at 1&1 and on further developments. Decisions of the Federal Network Agency and the Federal Cartel Office [*Bundeskartellamt*] result in the most

significant influence on network access and the design of the internet access rate plans. Price increases by the grid operators from which 1&1 procures wholesale services for its own customers could have negative effects on the profitability of the rate plans. Equally, there is the possibility that a lack of regulation will cause the market environment for 1&1 to worsen.

In 2024, the Cologne Administrative Court declared the 2019 5G decision regarding award conditions and auction rules unlawful and ordered the Federal Network Agency to issue a new decision. Following the rejection of the Federal Network Agency's appeals against the denial of leave to appeal, the ruling is now legally binding. According to the Federal Network Agency, however, both the 5G spectrum award decision and the existing spectrum assignments to companies remain in effect unless they are revoked or amended by the agency. This re-evaluation presents both opportunities and risks for 1&1. Among other things, regulatory requirements could be amended to the company's advantage or disadvantage, or a new auction could result in a lower or higher price for spectrum acquisition.

Due to the aforementioned court ruling, the Federal Network Agency is no longer pursuing the previously reported risk of a potential fine resulting from the missed expansion target of 1,000 5G base stations at year-end 2022. Similarly, the previously reported risk of a fine in the event of failure to meet the expansion target for year-end 2025 did not materialise. Just two years after launching mobile services in Germany's fourth mobile network, the 1&1 5G Network now covers 27 per cent of German households exceeding its roll-out target of 25 per cent.

Furthermore, the company remains subject to a requirement – pending any potential changes or cancellation resulting from the aforementioned court ruling – to reach a coverage of 50 per cent of households by the end of 2030. Failure to meet this target could result in a fine or, in the most extreme case, the revocation of spectrum.

1&1 is dependent on the allocation of required frequencies by the Federal Network Agency for the development of its high-performance mobile network. At the end of 2025, the right-of-use assets for the 800 MHz, 1,800 MHz, and 2,600 MHz bands expired. These frequencies are currently used by the three established mobile network operators. In March 2025, the Federal Network Agency announced a five-year extension of these frequencies in the mid-band and low-band spectrum for Deutsche Telekom, Vodafone, and Telefónica. This extension is subject to the condition that the three established network operators provide 1&1 with access to part of the low-band spectrum for shared use. However, negotiations on this matter remained unsuccessful until the end of the year. Low-band frequencies, in particular, are indispensable for the economically viable operation of a mobile network. Without access to these frequencies, 1&1 would have to purchase significantly more wholesale services via National Roaming from Vodafone. 1&1 assumes that the Federal Network Agency will either grant 1&1 access to low-band spectrum or compensate 1&1 for the damages resulting from higher wholesale costs.

1&1 Versatel is connected to the central offices (main distribution frames) of Telekom Deutschland GmbH (TDG), where 1&1 Versatel has installed active network technology to establish connections to its customers via the associated subscriber lines (TAL). If TDG closes any of the central offices co-used by 1&1 Versatel in the future, subject to approval by the Federal Network Agency, 1&1 Versatel would be forced to utilise alternative access options. Alternative access is also becoming necessary due to the vectoring deployment approved for TDG and the accompanying elimination of local loop unbundling. These uncertainties in future network planning could lead to an impairment of the existing network, resulting in write-downs and additional capital expenditure. This could adversely affect the net assets, financial position, and results of operations of 1&1.

1&1 counters the regulation risk, which has a tendency to rise, through its collaboration with multiple advance services partners and proactive association work. Also, 1&1 has access to its own fixed network via the Group company 1&1 Versatel GmbH. This access to the network infrastructure gives 1&1 the opportunity to extend the depth of its added-value generation and to reduce the procurement of broadband advance services from third parties.

Compared with the previous year, the risk assessment shows no change and is still classified as significant.

Risks in the area of "Operational Risks"

Fraud & credit default

Ordering and delivery processes at 1&1 – as is true of many large companies in mass market business – are largely automated so that dynamic customer growth can be handled effectively and services and products can be provided as quickly as possible, all in the interest of our customers. Automated processes of this type are by their nature vulnerable to fraudulent activities. As a consequence of the high appeal of the offered products and services, the number of defaulters and fraudsters increases along with the number of customers. The consequence is growth in bad debt losses. For instance, 1&1 could suffer losses from hardware orders that are placed using a false identity and are never paid. Losses can also be incurred from the misuse of SIM cards, e.g., through massive call diversions or roaming calls.

1&1 seeks to prevent fraud attacks or, as a minimum, to recognise such attempts at an early stage and to stop them by permanently expanding the scope of its fraud management, through close cooperation with advance services providers and through the appropriate design of its products and services.

Compared with the previous year, the risk assessment shows no change and is still classified as low.

Cyber and information security

Within the scope of the business processes, information and telecommunications technologies (data centres, transmission systems, switching nodes etc.) are used for service performance; they are tightly meshed with the internet and their availability can be jeopardised by threats from the internet. For instance, DDoS attacks (DDoS = Distributed Denial of Service) can result in an overload on technical services or in server failures. In addition to availability risks, threats to confidentiality and data integrity also pose significant challenges. Cyberattacks, such as hacking attempts aimed at spying on customer data, deleting information, or fraudulently using services, are major concerns.

Information security is a core part of 1&1's corporate culture. To mitigate these risks, 1&1 continuously improves its monitoring and alerting system including the necessary processes and documentation. 1&1 also counters this risk by using virus scanners, firewall strategies, tests it has initiated itself and various technical control mechanisms.

Internet-based threats remain a major risk for 1&1, but a combination of technical and organisational measures helps manage these risks effectively. Particularly noteworthy in this context are the operation and the continuous improvement of the security management system and the constant expansion of the systems' resilience.

Exacerbated by current geopolitical tensions, the overall cyber-threat landscape has further intensified. Consequently, the risk rating has also increased from Moderate to Significant compared to 31 December 2024.

Privacy

The possibility that data protection regulations will be violated because of human error, technical weak points or other factors can never be completely precluded. In such a case, 1&1 would be at risk of having to pay fines and of losing the trust of its customers.

1&1 stores its customers' data on servers in data centres certified in accordance with international security standards and operated by the Company itself as well as in leased facilities. The handling of these data is subject to extensive statutory requirements, and compliance with these requirements is regularly reviewed.

1&1 is aware of this immense responsibility and places a high value on data protection, paying especially close attention to ensuring customers' privacy. 1&1 continually invests in the improvement of its data protection standards by employing the latest technologies, constantly reviewing data protection legal requirements, running an extensive training programme on data protection laws for employees and integrating privacy aspects and requirements into product development at the earliest possible stage.

Compared with the previous year, the risk assessment shows no change and is still classified as moderate.

Employees

Highly qualified and well trained employees are the foundation for the commercial success of 1&1. In addition to the successful recruiting of qualified personnel, personnel development and the long-term retention of key employees in the Company are of strategic importance for 1&1. If the Company does not succeed in recruiting, developing further and retaining executives and employees with special professional or technological expertise, there is a danger that 1&1 might no longer be in a position to carry out its business activities effectively and to achieve its growth targets. Where strategic knowledge and skills have been brought together in such a concentration (so-called brain monopoly), the loss of one of these key employees can also have a significant impact on the Company's ability to perform.

In terms of its position as an employer, 1&1 sees itself in a good position to attract and hire qualified professionals and managers with the potential to enhance business success in the future as well. 1&1 mitigates these risks by implementing clear rules of representation, and continuously developing employee and leadership competencies. Accordingly, the Group offers targeted professional development measures, mentoring and coaching programmes, and special initiatives for high-potential employees designed to further develop talent and leadership skills.

The risk rating increased from Low to Moderate compared to 31 December 2024. This change stems from the integration of 1&1 Versatel into the Risk Management System of 1&1 AG.

Partner Management

1&1 collaborates with strategic partners through cooperation and outsourcing agreements. The primary objectives of such cooperative activities include (among others) the concentration on the Company's actual core business, cost reductions or participation in the partner's expertise. These opportunities simultaneously entail risks in the form of dependencies on external service providers as well as risks related to contracts and failures. 1&1 is working with selected partners to expand the 1&1 mobile network, with whom it has predominantly entered into long-term contracts featuring clear cost structures. Due to the high complexity of the project and its significant scale, there is a risk that the terms of the contracts could be interpreted differently by the parties. In 2025, proceedings were initiated with an expansion partner to discuss mutual claims. The outcome of the proceedings is currently uncertain and presents both opportunities and risks.

As a service provider, operator, and supplier of IT/TC products, 1&1 Versatel collaborates with a wide range of suppliers for technical components and services. 1&1 Versatel mitigates potential risks, such as supplier

default, dependency on individual vendors, or the enforcement of warranty claims, through a variety of organisational, contractual, and strategic procurement safeguards.

To reduce these risks, a detailed market analysis and a due diligence review are carried out before a contract is concluded with an external service provider, and even after the conclusion of the contract, close interaction in the spirit of partnership is maintained with the cooperation and outsourcing partners.

The risk rating has increased from Moderate to Significant compared to 31 December 2024. The reason for the changed risk assessment is increased challenges in cost management during the expansion of the company's own mobile network.

Legal disputes

1&1 is currently involved in various litigation and arbitration proceedings that result from its normal business activities. In 2019, one advance services provider filed claims in the low three-digit million range (the Company's internal classification defines amounts up to €333 million as a low three-digit million amount; even the total of the filed claims does not exceed this amount). 1&1 regards the claims from each of the opposing parties to be largely unfounded and does not consider an outflow of resources to be likely. However, by their nature, the results of legal disputes are uncertain and therefore represent a risk. If there are negative prospects of success in selected cases and the amount of the obligation can be reliably estimated, the risks from the legal disputes have been given due consideration in the provisions.

Compared with the previous year, the risk assessment shows no change and is still classified as significant.

Technical system operation

1&1's products and their underlying business processes rely on a complex technical infrastructure and a multitude of mission-critical software systems (mobile towers, data centres, customer management databases, statistical systems, and leased infrastructure such as conduits, cables, fibre-optic fibres, and technical sites). The constant adaptation to changing customer needs leads to ever growing complexity of this technical infrastructure and the need for regular modification. In consequence of these actions as well as because of more extensive transitions such as migrations of data records, there are different possibilities of disruptions or service failures. If, for instance, service systems were affected, 1&1 could temporarily no longer be able to provide the promised service to its customers.

Where 1&1 Versatel leases out lines on a long-term basis under finance lease agreements that it has leased itself, a risk arises because 1&1 Versatel, as the lessor, is only the beneficial owner of the lines. If 1&1 Versatel

is unable to lease these lines for the entire duration of the contracts, it must provide replacements to fulfil its customer obligations. Furthermore, the costs of such replacement procurements represent a risk.

1&1 mitigates these risks through targeted architectural adjustments, quality assurance measures, a geo-redundant design of core functionalities, and the renegotiation or expansion of existing infrastructure agreements. Moreover, various security precautions based on software and hardware have been implemented to protect infrastructure and availability. By segregating duties, actions or business transactions involving risks are not carried out by a single employee, but rather in accordance with the "four-eyes principle". Manual and technical access restrictions also ensure that employees are active solely in their purviews. An additional security measure to prevent data loss is the regular backup of existing data records and storage in geo-redundant data centres.

Compared with the previous year, the risk assessment shows no change and is still classified as significant.

Risk in the area of "Financial & Tax Risks"

Financial & Liquidity Risks

In the area of financial risks, interest rate risk remains a key concern, as financial resources are primarily borrowed and invested with United Internet AG at variable interest rates (1M EURIBOR + margin). The Company constantly reviews the various investment and acquisition opportunities for cash and the terms and conditions of the financial obligations on the basis of its liquidity planning. Any need to obtain financing is covered by suitable instruments for liquidity management.

In both the Annual and Consolidated Financial Statements of 1&1 AG, there is a risk of impairment losses resulting from rising interest rates. Within the scope of valuation procedures, rising capitalisation rates can lead to lower fair values, provided all other parameters remain unchanged. In the Annual Financial Statements, this particularly affects the valuation of investments in subsidiaries. In the Consolidated Financial Statements, this particularly affects goodwill as well as assets not yet available for use.

The goal of the financial risk management is to limit risks through ongoing operating and finance-oriented activities.

1&1's liquidity risk arises essentially from the possibility that the Company will be unable to meet its financial obligations (e.g., the repayment of financial debt). The Company's objective is to cover continuously its financial requirements and to ensure flexibility by using overdrafts and loans as well as by investing and raising cash and cash equivalents at United Internet AG. Financial liabilities that are primarily incurred by

1&1 AG as part of the financing of its business activities generally include loans, overdraft facilities and other financial liabilities.

Demand and surplus of cash and cash equivalents are determined centrally for the entire Group in cash management. The number of external bank transactions is held to a minimum by netting of demand and surplus within the Group. The Company has established standardised processes and systems for the management of its bank accounts and the internal clearing accounts and for the execution of automated payment transactions.

Compared with the previous year, the risk assessment shows no change and is still classified as low.

Tax risks

1&1 is subject to legal tax provisions that are in effect. Risks can arise from changes in tax laws or court precedents and from varying interpretations of existing provisions.

1&1 counters these risks by continuously expanding the scope of its tax management.

The risk rating has decreased from Significant to Moderate compared to 31 December 2024. This reduction results from the progress of an ongoing tax audit and the elimination of previous uncertainties following these developments.

Additional disclosures on risks, financial instruments, and financial risk management

Further information on risks, financial instruments, and financial risk management can be found in "Objectives and Methods of Financial Risk Management (item 43 in the notes)".

General statement from the Management Board regarding the risk situation of Company and Group

The assessment of the overall risk situation for 1&1 AG and 1&1 Group is the result of a consolidated consideration of all major risk areas and specific risks, taking into account interdependencies.

- From today's perspective, the most significant challenges for 1&1 AG and the 1&1 Group are in the risk areas of "Legal Disputes", "Cyber & Information Security", "Partner Management", "Regulatory Environment", and "Technical Plant Operations".

- By continually expanding the scope of its risk management, 1&1 counters these risks and limits them, insofar as reasonable, to a minimum by implementing specific actions.
- The risk ratings for the following areas have increased compared to 31 December 2024 solely due to the integration of 1&1 Versatel into 1&1 AG's Risk Management System:
 - "Sales Market & Competition" risk area: from Low to Moderate
 - "Procurement Market" risk area: from Low to Moderate
 - "Employees" risk area: from Low to Moderate
- The risk ratings for the 'Technical Plant Operations' risk area would have fallen from 'Significant' to 'Moderate' without the inclusion of 1&1 Versatel; however, due to this inclusion, they remain at Significant.
- Exacerbated by current geopolitical tensions, the overall cyber-threat landscape has further intensified. Consequently, the risk rating for the "Cyber & Information Security" risk area also increased from Moderate to Significant compared to 31 December 2024.
- The risk ratings for the "Partner Management" risk area have increased from Moderate to Significant compared to 31 December 2024. The reason for the changed risk assessment is increased challenges in cost management during the expansion of the company's own mobile network.
- The risk rating for the category "Tax Risks" decreased from Significant to Moderate compared with 31 December 2024. This reduction results from the progress of an ongoing tax audit and the elimination of previous uncertainties following these developments.
- Otherwise, the risk classifications of 1&1 AG's risk areas remained unchanged as of 31 December 2025 compared to 31 December 2024.

The assessment of the major risk fields or specific risk positions were, as is natural, subject to fluctuations during financial year 2025 because of the development of external conditions as well of the impact of the Company's own countermeasures.

The overall risk situation for the 1&1 Group has increased compared to the prior year, partly due to rises in the risk categories of "Sales Market & Competition", "Procurement Market", "Cyber & Information Security", "Employees", and "Partner Management".

In assessing the overall risk situation, the opportunities available to the 1&1 Group are not taken into account. Risks threatening the existence of the 1&1 Group from either single risk positions or the overall risk situation were not discernible during financial year 2025 nor on the date of preparation of this report.

The likelihood of their occurrence, potential losses and the classification of the risks from the Group perspective and their relevance:

| | Material segment relevance | Probability of occurrence | Degree of risk | Risk classification | Development in comparison with previous year |
|---|----------------------------|---------------------------|----------------|---------------------|--|
| Risks in the area of "Strategic market and business risks" | | | | | |
| Sales market & competition | 1&1 Versatel | Occasionally | High | Moderate | ↗ |
| Procurement market | 1&1 Versatel | Occasionally | High | Moderate | ↗ |
| Participations & investments | Access | Rarely | Very low | Low | → |
| Business development & innovation | Access | Rarely | Very low | Low | → |
| Force majeure | 1&1 Versatel | Occasionally | Low | Low | → |
| Regulatory Environment | 1&1 Mobile Network | Rarely | Extremely high | Significant | → |
| Risks in the area „Operational Risks“ | | | | | |
| Fraud and Credit Default | Access | Rarely | Very low | Low | → |
| Cyber- & information security | Access | Possible | Extremely high | Significant | ↗ |
| Privacy | Access | Occasionally | High | Moderate | → |
| Employees | 1&1 Versatel | Possible | Low | Moderate | ↗ |
| Partner Management | 1&1 Mobile Network | Possible | Very high | Significant | ↗ |
| Legal disputes | Access | Occasionally | Extremely high | Significant | → |
| Technical system operation | 1&1 Mobile Network | Rarely | Extremely high | Significant | |
| | 1&1 Versatel | | | | → |
| Risks in the area of "Financial & Tax Risks" | | | | | |
| Financial & liquidity risks | Access | Rarely | Very low | Low | → |
| Tax risks | Access | Possible | Low | Moderate | ↘ |

↘ Improved → Unchanged ↗ Worsened

Society, politics, and the economy are currently facing complex macroeconomic challenges arising from a combination of geopolitical and geoeconomic tensions.

The rise in geopolitical tensions worldwide is leading to increased uncertainty across the board, which could manifest itself through a combination of volatile interest rates, subdued growth expectations, tight financing

conditions, slowing trade growth, disrupted supply chains and declining confidence among businesses and consumers.

In addition to the destabilising effects of the wars in Ukraine and Iran, and the associated repercussions across the entire Middle East – countries and regions in which 1&1 does not itself operate – there is also a growing sense of geo-economic uncertainty driven by rising protectionism. In addition to a decline in international cooperation, this can also mean, for example, the rigorous imposition of tariffs and, consequently, price increases for raw materials and goods. For instance, the US government is pursuing a tariff policy that is difficult to predict, imposing tariffs and/or threatening tariffs against countries and alliances, to which these in turn respond with retaliatory tariffs and/or threats of tariffs.

The 1&1 Group responds to such complex challenges by actively addressing current issues and incorporating them into its business decisions. The focus here is on developing strategies to minimise risk, such as through diversified procurement strategies – for example, to ensure a consistent and fair energy supply – and the stockpiling of hardware.

To mitigate any potential impact on the Group's global business operations, 1&1 has also developed proactive risk management and mitigation strategies. For example, in light of the increased cyber security threats arising from the wars and conflicts in Ukraine and the Middle East, the Group is stepping up its investment in cyber security measures. These include the use of advanced monitoring techniques, the conduct of regular security audits and the training of its staff to strengthen defences against cyberattacks.

The Executive Board and those responsible for operations will monitor developments closely and, where necessary (and where possible), take appropriate countermeasures.

4.2 Opportunities Report

Opportunities Management

The opportunities management is rooted in the strategic planning and related actions for the development of products and their positioning in the various target groups and on the different markets during the product lifecycle.

The Group Management Board and the operating management level (management boards and managing directors of subsidiaries) are directly responsible for the early and continuous identification, assessment and management of opportunities.

The 1&1 AG management concerns itself intensely with detailed analyses, models and scenarios related to current and future industry and technology trends, products, markets/market potential and competitors in the Company's environment. The potential of the opportunities identified during such strategic analyses are evaluated subsequently in the context of the critical success factors and of the existing general conditions and possibilities for 1&1 AG, discussed among Management Board, Supervisory Board and the operations managers during the planning meetings, then embodied in concrete actions, targets and milestones.

Progress and success of the actions are continuously monitored by the operations managers and by the managing directors and executive officers of the Company.

Opportunities

1&1's stable business model, which is largely unaffected by economic fluctuations, secures plannable revenues and cash flows, thereby opening up the financial flexibility necessary to take advantage of opportunities in new business fields and on new markets, whether organically or through participations and corporate takeovers. The opportunities identified below generally relate to all existing reporting segments of the 1&1 Group.

Broad strategic positioning on growth markets

In view of the positioning on today's growth markets, the Company's growth opportunities from a strictly strategic perspective are obvious: increasingly powerful landline and mobile access products that are available everywhere and at all times make possible new and more complex applications. From today's perspective, these internet-based applications for private users, freelancers, smaller businesses, and public authorities represent the growth drivers for the Access and 1&1 Versatel segments over the coming years.

Participation in market growth

Despite the uncertain general economic conditions, 1&1 as well as many of the leading industry analysts expect a positive development on the German telecommunications market that is of major importance for the Company. With competitive access products, well-known brands, high sales power, and existing relationships with millions of customers (cross-selling and up-selling potential), 1&1 is well-positioned to capitalise on expected market growth in both the Access and 1&1 Versatel segments.

Expansion of market positions

Today, 1&1 ranks among Germany's leading companies, with 16.32 million private customers in the area of internet-based access services and its own over 68,000 km fibre-optic network. By building on its available technological know-how, the high quality of products and services, the brand awareness of the Group's brand names such as 1&1, WinSim or Sim.de, the business relationships with millions of customers and the strength of customer loyalty, 1&1 believes that its chances to expand its current market shares are good.

Entry into new business fields

The core competencies at 1&1 also include the ability to recognise customer wishes, trends and the related new markets at an early stage. The breadth of the added-value chain (from product development and data centre operation to effective marketing and an efficient sales force to active customer care) makes it possible for 1&1 to introduce innovations on the market quickly and to market them intensely.

Development of own 5G mobile network

With the 1&1 Mobile Network, which went live for mobile services in December 2023, 1&1 became Germany's fourth mobile network operator (MNO). This step is how 1&1 plans to expand its added value in the mobile communications business and develop new business areas.

1&1 operates Europe's first fully virtualised mobile network based on innovative Open RAN technology in Germany. By leveraging this pioneering Open RAN technology, 1&1 aims to differentiate itself from the competition and fully exploit the potential of 5G. This choice will offer to 1&1 future strategic options for all applications that rely on fast internet, short latency times and stable data transfers. The capability will become an essential building block for growth related to various applications on the horizon, especially in view of the arrival of the Internet of Things.

With 12.48 million mobile customers, a self-operated state-of-the-art mobile network, and a high-performance fibre-optic network, 1&1 is ideally positioned to exploit the enormous potential of 5G in Germany.

Operation of one of Germany's largest fibre-optic networks

Following the acquisition of 1&1 Versatel on 1 December 2025, the 1&1 Versatel telecommunications network was fully integrated into the 1&1 Group. Stretching over 68,000 km, the network ranks among the largest and most powerful in Germany. The 1&1 Versatel fibre-optic network is further complemented by access to Deutsche Telekom's infrastructure. The network infrastructure operated by 1&1 Versatel, or sourced via Deutsche Telekom, enables 1&1 to increase its value creation and expand its customer base in the growing fibre-optic market. Additionally, during the construction of the 1&1 Open RAN mobile network, the antenna sites and data centres are being connected to the existing 1&1 Versatel fibre-optic network.

According to a study by Dialog Consult GmbH / VATM, demand for high-performance broadband connections has once again increased significantly compared to the prior year. Consequently, operating its own fibre-optic network continues to gain strategic importance for 1&1, opening up attractive market- and growth potential.

Acquisitions and participations

Along with its organic growth, 1&1 continuously examines opportunities to acquire companies and to obtain strategic participations. Thanks to the plannable and high cash flow of operations, 1&1 has powerful resources to finance its activities itself and has as well good access to capital markets so that it can seize opportunities that present themselves in the form of acquisitions and participations.

Summary of opportunity and risk position

Following the successful completion of the customer migration in November 2025 and the takeover of the 1&1 Versatel infrastructure, the focus lies primarily on the opportunities and risks associated with the telecommunications networks.

Progress in the 1&1 Mobile Network is leading to a reduction in risks. This specifically concerns the risks of delays in the network roll-out and the potential failure to complete the customer migration on time. Also, network quality has stabilised since the successful upgrade and expansion of the core data centres and other technical measures.

Compared to the prior year, challenges in cost management regarding the roll-out of the company's own mobile network, and the associated risks, have increased.

Additionally, the decisions of the Federal Network Agency and the Federal Cartel Office carry particular relevance for our network's performance. The spectrum blocks in the 3.6 GHz range are already available, and the 2 GHz blocks can be used from 2026 onwards. In addition to high-frequency spectrum, 1&1 also requires low-band frequencies in the lower spectrum. The Federal Network Agency had intended for Deutsche Telekom, Vodafone, and Telefónica to provide 1&1 with a portion of their available low-band spectrum for joint use. As no agreement has been reached with the network operators to date, the Federal Network Agency's decision is still pending.

The integration of the 1&1 fibre-optic network into the 1&1 Group is expected to help expand growth opportunities and create value in the long term. In parallel, the Group's risk profile is also changing. 1&1 Versatel's existing Risk Management System identifies and limits these risks at an early stage.

The opportunities and risks described here are the major opportunities and risks which have been identified at this time. The possibility that further major opportunities and risks that at this time have not been recognised by management exist or that the likelihood of the occurrence of such opportunities and risks has been wrongly assessed as negligible cannot be precluded. Adequate precautions have been taken to counter any probable risks. There are at this time no known risks which would threaten the Company's existence.

4.3 Forecast Report

This report contains certain statements oriented to the future which are based on the current assumptions and projections of the Company's management. Various risks, uncertainties and other factors, both known and unknown, can cause the actual results, financial position, development or performance of the Company to deviate substantially from the assessment shown here.

Economic expectations

In its World Economic Outlook of 19 January 2026, the International Monetary Fund (IMF) updated its forecasts for the development of global economies in 2026 and 2027. Looking at the global economy as a whole, the IMF forecast is more optimistic than before. Globally, the [IMF] Fund expects economic growth of 3.3 per cent again in 2026, which is 0.2 percentage points higher than its autumn forecast. A growth of 3.2 per cent is also expected for 2027.

However, the forecasts are based on the measures in effect at the end of December 2025 and assume that these will remain in place permanently. Consequently, unpredictable developments cannot be taken into account. This includes, for example, the now-withdrawn threat by US President Donald Trump to impose additional tariffs of 10 per cent on eight European countries effective 1 February 2026.

For Germany, the IMF again expects a positive economic trend. It forecasts growth of 1.1 per cent in 2026 and 1.5 per cent in 2027. This puts the IMF slightly above the assessment of the Federal Government. The latter published its forecast on 28 January 2026 in the Annual Economic Report approved by the Federal Cabinet. This report assumes price-adjusted growth in gross domestic product of 1.0 per cent in 2026 and 1.3 per cent in 2027.

Industry / market expectations

Despite the challenges posed by difficult economic conditions, Germany's digital economy is expected to continue its growth trajectory. The digital association Bitkom forecasts a 4.4 per cent increase in revenue for the German IT and telecommunications (ICT) market in 2026, reaching €245.1 billion. In the prior year, ICT revenues had grown by 3.9 per cent.

Information technology remains the most important growth driver. According to Bitkom's latest forecast, this market is expected to grow by 5.8 per cent in 2026 (prior year: 5.3 per cent) to €170.0 billion.

Within this, the software segment is set for strong growth, increasing by 10.2 per cent to €58.3 billion. A significant portion of this is attributable to software that operates public clouds. Cloud software alone is expected to generate a turnover of €38.3 billion in 2026 – an increase of 16.4 per cent compared to the prior year. Artificial Intelligence is also continuing to gain momentum, although the AI market has a significantly smaller volume to date. According to Bitkom calculations, revenue from AI platforms is set to rise by 61.0 per cent to €4.1 billion in 2026, following a 62 per cent increase in 2025.

The IT hardware market is expected to see growth across almost all segments. For 2026, forecasts expect the hardware market as a whole to grow by 3.9 per cent to €57.4 billion. The primary growth driver is once again expected to be Infrastructure-as-a-Service (IaaS), namely leased servers, network, and storage capacities, with an increase of 21.0 per cent.

According to Bitkom, total revenue from IT services will rise by 3.5 per cent to €54.3 billion in 2025.

From the perspective of 1&1's business model, the most important ICT market is the German telecommunications market (broadband connections and mobile internet) within the predominantly subscription-based Access segment.

Telecommunications market in Germany

For the German telecommunications market, Bitkom forecasts overall growth of 1.2 per cent in 2026 (prior year: 1.2 per cent), reaching €75.1 billion.

The highest growth is expected in telecommunications infrastructure, which is set to grow by 4.6 per cent (prior year: 6.6 per cent) to €8.5 billion. The telecommunications services business is also expected to grow by 1.3 per cent (prior year: 1.4 per cent) to €54.1 billion. In contrast, revenue from devices is projected to decline by -1.2 per cent (prior year: -2.6 per cent) to €12.5 billion. This decline is attributed to the fact that smartphones are increasingly being used for longer periods.

Market forecast: telecommunications market in Germany (in €bn)

| | 2026 | 2025 | Change |
|----------|------|------|--------|
| Revenues | 75.1 | 74.2 | + 1.2% |

Source: Bitkom, January 2026

Forecast for financial year 2026

Following the acquisition of 1&1 Versatel, 1&1 will report on two new segments from 2026 onwards: 'Consumer & Small Business' will replace the previous 'Access' segment, whilst 'Enterprises & Networks' will combine the previous '1&1 Mobile Network' segment with the figures from 1&1 Versatel.

Service revenue of approximately €3.66 billion is expected for the 2026 financial year (2025: €3.34 billion). The year-on-year increase in service revenue is due to the first-time inclusion of 1&1 Versatel for the full year.

EBITDA is expected to rise to approximately €800 million (2025: €537.5 million). This improvement is expected to result from the ongoing expansion and the completion of customer migration in 2025, as well as from greater savings on wholesale costs for mobile internet and the full-year consolidation of 1&1 Versatel.

The number of customer contracts is expected to grow moderately again, depending on the competitive environment (2025: a decline of 70,000 customer contracts).

The capital expenditure (Cash CapEx) is expected to amount to between €500 million and €550 million in 2026 (2025: €409.2 million). The year-on-year increase is due to the first-time inclusion of 1&1 Versatel for the full year, whilst investment in the construction of the mobile network is expected to decrease.

At the level of the Annual Financial Statements, the Management Board expects a slight decrease in the investment result (income and expenses from profit and loss transfer agreements) and net income for the year 2026, due to the first-time inclusion of the full-year loss of 1&1 Versatel.

General statement from the Management Board on presumable development

The Management Board considers 1&1 well-positioned for the next steps in the Company's development and looks to the future with optimism.

With the completion of the customer migration in the past financial year, all 12.48 million mobile customers are now using the innovative 1&1 Open-RAN-mobile network. As the network roll-out progresses, 1&1 will increasingly save on wholesale costs. Simultaneously, this enhances independence from external wholesale providers. Supplementing this, the integration of the fibre-optic network operated by 1&1 Versatel into the 1&1 Group creates a closely integrated network infrastructure combining mobile and broadband. This increased vertical integration forms the foundation for the Group's successful economic development in the future.

With 16.32 million customer contracts and the 1&1 Versatel infrastructure business, 1&1 is currently excellently positioned in the German telecommunications market. Operating its own mobile and fibre-optic network now provides opportunities for bespoke products, placing the customer even further at the heart of the business.

Thanks to a business model based predominantly on electronic subscriptions and long-term customer contracts, 1&1 considers itself largely resilient to cyclical economic influences. 1&1 will continue to pursue this sustainable business policy in the coming years. In view of the successful start to the year and of the situation at the time of the issue of this report as well, the Management Board believes that the Company is well on its way to realising the goals explained in greater detail in the above section "Forecast for financial year 2026".

Future-oriented statements and forecasts

This report on the position of the Company and the Group contains future-oriented statements that are based on the current expectations, assumptions and forecasts of the 1&1 AG Management Board and on the information available to the Board at this time. The future-oriented statements are subject to various risks and uncertainties and are based on expectations, assumptions and forecasts that may possibly prove to be false in future. 1&1 does not guarantee that the future-oriented statements will prove to be true, and it neither assumes any obligation, nor does it have the intention, to adjust or update any future-oriented statements made in this report.

5. Supplementary Information

5.1 Supplementary Information Pursuant to Section 289a HGB and Section 315a HGB (information relevant for acquisitions)

The subscribed capital amounts to €194,441,113.90 and is distributed in 176,764,649 no-par shares issued to the bearer with a proportionate share in the share capital of €1.10. In this regard, each share grants one vote. The securitisation of the shares is excluded. In accordance with Sections 84 and 85 AktG in conjunction with Section 7 of the Company by-laws, the Management Board is appointed and recalled by the Supervisory Board. Any amendments to the Company by-laws must be adopted in conformity with legal statutes (Sections 179 et seqq. AktG) by the General Meeting. Furthermore, the Supervisory Board is authorised to make amendments to the Articles of Association that relate only to their wording. As of 31 December 2025, United Internet AG, Montabaur, held 86.46 per cent of the shares in 1&1 AG.

Approved capital 2022

Pursuant to a resolution adopted by the Annual General Meeting on 18 May 2022, the Management Board was authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital by a total of €97,220,556.40 by single or multiple issues of new no-par shares against cash and/or contributions in kind (Approved Capital 2022) by 17 May 2027.

In the event of cash contributions, the new shares issued by the Management Board may, subject to the consent of the Supervisory Board, also be taken over by one or more banks or other companies fulfilling the prerequisites of Section 186 (5) sentence 1 of AktG, subject to the obligation to offer them for subscription solely and exclusively to the shareholders (indirect subscription right). As a matter of principle, a subscription right is to be granted to the shareholders. However, the Management Board is authorised, subject to the consent of the Supervisory Board, to preclude shareholders' subscription rights:

- so that fractional amounts are excluded from the subscription right;
- If the capital increase is achieved by cash contributions and the exercise price of the new shares is not significantly lower than that of the shares already traded on the exchange at the time of the final determination of the exercise price, which should take place as contemporaneously as possible with the placement of the shares. The number of shares issued subject to exclusion of the subscription pursuant to Section 186 (3) sentence 4 AktG may not exceed 10 per cent of the share capital, neither at the point in time at which this authorisation becomes effective nor at the point in time that it is exercised. Any

shares that are issued or that are to be issued pursuant to options or convertible bonds must be attributed to this figure to the extent that the bonds are issued during the term of this authorisation in application *mutatis mutandis* of Section 186 (3) sentence 4 of AktG in exclusion of subscription rights; moreover, any shares that are issued or sold during the term of this authorisation in direct application or application *mutatis mutandis* of Section 186 (3) sentence 4 AktG must be attributed to this figure;

- To the extent required to ensure that a subscription right can be granted to holders or creditors of option and/or conversion rights or of equivalent option and/or conversion obligations from bonds that have been or are issued by the Company and/or by companies dependent on the Company or in which the Company holds a majority interest, either directly or indirectly, equivalent to the subscription right to which such holders or creditors would be entitled after exercise of their option and/or conversion right or after fulfilment of the option and/or conversion obligation;
- If the capital increase against contributions in kind is carried out for the purpose of issuing shares within the framework of corporate mergers or of acquiring companies or parts of companies, holdings in companies or other assets;

The Management Board is further authorised, with the approval of the Supervisory Board, to determine the further content of the rights attached to the shares and the terms of the share issuance. The Supervisory Board is authorised to amend the current version of the Company by-laws in accordance with the specific utilisation of the approved capital 2022 or after the expiration of the authorisation.

Conditional capital 2022

The share capital is conditionally increased by up to EUR 96,800,000.00 through the issuance of up to 88,000,000 new no-par value bearer shares (Conditional Capital 2022). The conditional capital increase will only be carried out to the extent that the holders or creditors of option and/or convertible bonds, participation rights, and/or profit participation bonds (or combinations of these instruments) with option and/or conversion rights (or corresponding option and/or conversion obligations or put options of the Company), issued by the Company or by companies dependent on or directly or indirectly majority-owned by the Company on the basis of the authorisation resolution of the Annual General Meeting of 18 May 2022 through to 17 May 2027, exercise their option or conversion rights under these bonds or fulfil their option or conversion obligations or, insofar as the Company exercises an option to grant no-par value shares in the Company in whole or in part instead of paying the cash amount due, and provided that in each case no cash settlement is granted or treasury shares or shares in another listed company are used for servicing. The new shares will be issued in each case at the option or conversion price to be determined in accordance with the authorisation resolution stipulated above. The new shares participate in profits as of the beginning of the financial year in which they are issued; to the extent legally permissible, the Management Board, subject to

the Supervisory Board's consent, may also determine the participation in profits for a previously expired financial year for new shares in abrogation of this provision and of Section 60 (2) AktG. The Management Board is authorised, subject to the consent of the Supervisory Board, to determine the details of the conduct of the conditional capital increase.

Treasury shares

As of the reporting date 31 December 2025, 1&1 AG held 248,660 treasury shares, representing a share of the share capital of €273,526 or 0.14 per cent.

The Management Board of 1&1 AG was authorised by the Annual General Meeting of 18 May 2022 to acquire treasury shares of the Company up to a total of 10 per cent of the share capital existing at the time the resolution was passed or – if this value is lower – at the time the authorisation is exercised, until 17 May 2027. Any shares acquired pursuant to this authorisation, together with any other treasury shares in the Company's possession or attributable to the Company pursuant to Sections 71a et seqq. AktG, may not exceed at any time a value of 10 per cent of the share capital.

The authorisation may be exercised in one full amount or in partial amounts, once or on multiple occasions, in pursuit of one or multiple objectives, directly by the Company or also by companies dependent on the Company or in which the Company, directly or indirectly, holds a majority interest, or by third parties instructed by the Company or by companies dependent on the Company or in which the Company, directly or indirectly, holds a majority interest.

At the option of the Management Board, the shares may be acquired on the stock exchange or on the basis of a public purchase offer or by means of a public invitation to submit offers to sell.

The Management Board is authorised, subject to the Supervisory Board's consent, to sell any Company shares acquired pursuant to this authorisation on the stock exchange or by offer to all shareholders in the ratio of their holdings. Moreover, Company shares acquired pursuant to this authorisation may be used for any and all other legally permissible purposes, including in particular, but not limited to, the following purposes:

- The shares may be sold to third parties against cash payment at a price that does not fall significantly short of the stock exchange price of shares of an equivalent nature at the point in time of the sale. In this case, the number of shares to be sold may not exceed in total 10 per cent of the share capital at the time of the adoption of the resolution by the General Meeting or – if this amount is lower – 10 per cent of the share capital at the time of the sale of the Company's shares. Any shares issued or sold in applica-

tion, whether direct or *mutatis mutandis*, of Section 186 (3) sentence 4 AktG during the term of this authorisation must be attributed to this limitation of 10 per cent of the share capital. Furthermore, any shares that must be issued to satisfy option and/or convertible bonds must be attributed to this limit of 10 per cent of the share capital, provided that the bonds have been issued during the term of this authorisation in application *mutatis mutandis* of Section 186 (3) sentence 4 AktG and excluding the subscription right.

- The shares may be used for the fulfilment of obligations pursuant to bonds with option and/or conversion right or option and/or conversion obligation issued by the Company or by companies dependent on the Company or in which the Company, directly or indirectly, holds a majority interest.
- The shares may be issued against assets, including claims against the Company, in particular, but not solely, in relation to the acquisition of companies, holdings in companies or parts of companies, or corporate mergers.
- The shares may be used in relation to share-based remuneration or employee share option programmes of the Company or of its affiliated companies and may be offered and transferred to persons who are or were in an employment relationship with the Company or one of its affiliated companies as well as to directors and officers of the Company's affiliated companies.
- The shares may be redeemed without requiring any additional General Meeting resolution for the redemption or the execution of the redemption. The Management Board may determine that the share capital will be decreased during the redemption; in this case, the Management Board is authorised to reduce the share capital by the proportionate amount of share capital attributable to the redeemed shares and to adjust the information regarding the number of shares and the share capital in the Company Charter. The Management Board may also determine that the share capital will remain unchanged by the redemption and that instead the share of the other shares in the share capital will be increased by the redemption pursuant to Section 8 (3) AktG. The Management Board is authorised in this case as well to adjust the information regarding the number of shares in the Company by-laws.
- The Supervisory Board is authorised to assign treasury shares acquired pursuant to this authorisation to the members the Company's Management Board in fulfilment of applicable remuneration agreements.

The subscription right of the shareholders is excluded to the extent that treasury shares are utilised in accordance with the authorisations described above. Furthermore, the Management Board is authorised – in the event of a sale of treasury shares acquired by way of an offer to shareholders and with the approval of the Supervisory Board – to grant subscription rights for the shares to the holders or creditors of bonds with option and/or conversion rights (or corresponding option and/or conversion obligations) issued by the Company or by companies dependent on or directly or indirectly majority-owned by the Company, to the extent

to which they would be entitled after exercising the option or conversion right or fulfilling the option or conversion obligation; to this extent, the subscription rights of the shareholders are excluded.

As in the prior year, the share buyback right was not exercised during the 2025 financial year. Under the SAR programme, 216,340 shares were issued to 1&1 Group executives. Further details regarding the purchase and sale of treasury shares can also be found in the notes to the consolidated financial statements under Note 40.

As of the reporting date of 31 December 2025, United Internet AG, Montabaur, Germany, held an 86.46 per cent stake in 1&1 AG. As of 31 December 2025, Mr Ralph Dommermuth; Montabaur, Germany, in turn holds indirectly through holding companies 54.37 per cent of the share capital of United Internet AG as reduced by his own shares of United Internet AG.

Additionally, reference is made to the financial statements of 1&1 AG as of 31 December 2025.

5.2 Declaration on Corporate Management Pursuant to Section 315d HGB in Conjunction with Section 289f HGB

1&1 has published the Corporate Governance Statement pursuant to Sections 289f and 315d HGB, which also includes the Declaration of Conformity pursuant to Section 161 AktG, in the Annual Report starting on page 20. The annual report is published on the Company's website at <https://www.1und1.ag/investor-relations-en#e-tabs-id-reports>.

5.3 Separate Non-Financial Group Report Pursuant to Section 315c in Conjunction with Section 289c HGB

The report pursuant to Section 315b in conjunction with Sections 315c and 289c HGB is published within the statutory deadlines on the 1&1 AG website at: <https://www.1und1.ag/the-company#nachhaltigkeit>.

5.4 Report on the Remuneration of the Management Board and the Supervisory Board Pursuant to Section 162 AktG

The remuneration system and the disclosure of the remuneration of Management Board and Supervisory Board members for financial year 2025 pursuant to Section 162 AktG can be found in the "Remuneration Report 2025", which is published on the 1&1 AG website at <https://www.1und1.ag/corporate-governance-en#verguetungs-bericht>.

Information on Management Board and Supervisory Board remuneration can also be found in the Notes to the Consolidated Financial Statements under item 42 in the notes.

6. Dependency Report

The Board of Directors hereby declares, in accordance with Section 312 AktG, that, in respect of the legal transactions listed in the report on relations with affiliated companies, the Company received appropriate consideration for each transaction based on the circumstances known to the Company at the time the transaction was entered into, and was not thereby disadvantaged. No measures were taken or omitted during the reporting year.

Montabaur, 16 March 2026



Ralph Dommermuth



Sascha D'Avis



Alessandro Nava

The Management Board

Consolidated Financial Statements

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Consolidated Comprehensive Income Statement

from 1 January to 31 December 2025

| | Remarks | 2025 January - December k€ | 2024 January - December k€ |
|--|---------|-------------------------------------|-------------------------------------|
| Sales | 4 | 4,135,801 | 4,064,254 |
| Cost of sales | 5,11,12 | -3,201,506 | -3,022,067 |
| GROSS PROFIT FROM REVENUES | | 934,295 | 1,042,187 |
| Distribution costs | 6,11,12 | -521,128 | -535,715 |
| Administration costs | 7,11,12 | -123,047 | -112,185 |
| Other operating income | 9 | 48,234 | 40,155 |
| Other operating expenses | 8 | -4,787 | -3,200 |
| Impairment losses from receivables and contract assets | 10 | -125,401 | -121,860 |
| RESULTS FROM OPERATING ACTIVITIES | | 208,166 | 309,382 |
| Financing expenses | 13 | -46,443 | -20,646 |
| Financial income | 14 | 16,269 | 16,460 |
| PROFIT BEFORE TAXES | | 177,992 | 305,196 |
| Tax expenses | 15 | -12,288 | -92,432 |
| CONSOLIDATED PROFIT | | 165,704 | 212,764 |
| Profit per share (in €) | | | |
| - undiluted | 48 | 0.94 | 1.21 |
| - diluted | 48 | 0.93 | 1.20 |
| Weighted average number of shares outstanding (in millions) | | | |
| - undiluted | 48 | 176.50 | 176.30 |
| - diluted | 48 | 177.40 | 177.20 |
| Rollover to total consolidated profit | | | |
| CONSOLIDATED PROFIT | | 165,704 | 212,764 |
| Categories that will not subsequently be reclassified in the profit and loss account (net) | | | |
| - Net profits or losses from equity instruments that are measured at fair market value as non-operating results in other results | 39 | 259 | 41 |
| Other results | 39 | 259 | 41 |
| TOTAL CONSOLIDATED PROFIT | | 165,963 | 212,805 |

Consolidated Balance Sheet

as of 31 December 2025

| | Remarks | 31/12/2025 k€ | 31/12/2024 k€ |
|---|---------|-------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 16 | 7,698 | 4,139 |
| Trade accounts receivable | 17 | 377,480 | 340,170 |
| Receivables due from associated companies | 19 | 377,086 | 327,308 |
| Inventories | 20 | 93,771 | 119,568 |
| Contract assets | 18 | 564,986 | 620,757 |
| Prepaid expenses | 21 | 356,308 | 320,952 |
| Other financial assets | 22 | 51,099 | 48,055 |
| Income tax assets | 31 | 62,216 | 54,368 |
| Other non-financial assets | 23 | 8,925 | 8,725 |
| | | 1,899,569 | 1,844,042 |
| Non-current assets | | | |
| Other financial assets | 24 | 6,900 | 2,727 |
| Property, plant and equipment | 25 | 3,222,082 | 962,650 |
| Intangible assets | 26 | 1,595,504 | 1,437,359 |
| Goodwill | 26,27 | 3,331,204 | 2,932,943 |
| Contract assets | 18 | 232,101 | 187,921 |
| Prepaid expenses | 21 | 697,281 | 762,431 |
| Trade accounts receivable | 17 | 22,768 | 0 |
| | | 9,107,840 | 6,286,031 |
| Total assets | | 11,007,409 | 8,130,073 |

| | Remarks | 31/12/2025 k€ | 31/12/2024 k€ |
|---|---------|-------------------|------------------|
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Trade accounts payable | 28,36 | 543,947 | 349,454 |
| Liabilities due to associated companies | 29,36 | 204,383 | 163,283 |
| Contract liabilities | 30,36 | 59,588 | 55,068 |
| Other provisions | 32,36 | 29,176 | 21,577 |
| Other financial liabilities | 33,36 | 291,302 | 109,250 |
| Other non-financial liabilities | 34,36 | 71,961 | 25,490 |
| Income tax liabilities | 31,36 | 6,454 | 6,434 |
| | | 1,206,811 | 730,556 |
| Non-current liabilities | | | |
| Trade accounts payable | 28,36 | 1,355 | 0 |
| Liabilities due to associated companies | 29,36 | 1,940,000 | 0 |
| Contract liabilities | 30,36 | 22,981 | 9,060 |
| Other provisions | 32,36 | 85,534 | 59,505 |
| Other financial liabilities | 35,36 | 1,511,383 | 1,036,244 |
| Other non-financial liabilities | 34,36 | 81 | 0 |
| Deferred tax liabilities | 15 | 243,776 | 200,738 |
| | | 3,805,110 | 1,305,547 |
| Total liabilities | | 5,011,921 | 2,036,103 |
| Equity | | | |
| Share capital | 38 | 194,442 | 194,442 |
| Treasury shares | | -274 | -512 |
| Capital reserves | 39 | 2,186,352 | 2,442,220 |
| Cumulative consolidated results | | 3,615,530 | 3,458,641 |
| Other equity | 39 | -562 | -821 |
| TOTAL EQUITY | | 5,995,488 | 6,093,970 |
| TOTAL LIABILITIES AND EQUITY | | 11,007,409 | 8,130,073 |

Consolidated Cash Flow Statement

from 1 January to 31 December 2025

| | Remarks | 2025 January - December k€ | 2024 January - December k€ |
|---|-----------|-------------------------------------|-------------------------------------|
| RESULTS FROM OPERATING ACTIVITIES | 46 | | |
| Consolidated profit | | 165,704 | 212,764 |
| Allowances for rollover of consolidated profit to incoming and outgoing payments | | | |
| Amortisation and depreciation on intangible assets and property, plant and equipment | 11 | 266,430 | 195,276 |
| Depreciation on assets capitalised within the framework of corporate acquisitions | 11 | 62,894 | 86,177 |
| Personnel expenses from employee stock ownership programmes | 37 | 2,618 | 2,906 |
| Changes in the adjustment items for deferred tax assets | 15 | -27,732 | -7,061 |
| Correction profits / losses from the sale of property, plant and equipment | | -1,224 | -13 |
| Financial result | | 30,174 | 4,186 |
| Other items not affecting payments | | 338 | 58 |
| Cash flow before changes in balance sheet items (sub-total) | | 499,202 | 494,293 |
| Changes in assets and liabilities | | | |
| Change in receivables and other assets | | 34,094 | 8,604 |
| Change in contract assets | | 11,590 | 64,656 |
| Change in inventories | | 25,813 | 58,430 |
| Change in prepaid expenses | | 51,309 | -223,473 |
| Change in income tax assets | | -7,849 | -44,624 |
| Change in trade accounts payable | | 9,035 | 9,653 |
| Change in other provisions | | 6,071 | -6,152 |
| Change in income tax liabilities | | 20 | -55,347 |
| Change in other liabilities | | 27,661 | -6,996 |
| Change in receivables due from / liabilities due to associated companies | | -45,812 | 10,875 |
| Change in contract liabilities | | -6,874 | 1,499 |
| Changes in assets and liabilities, total | | 105,058 | -182,875 |
| Net inflow of funds from operating activities | | 604,260 | 311,418 |

| | Remarks | 2025 January - December k€ | 2024 January - December k€ |
|--|-----------|-------------------------------------|-------------------------------------|
| CASH FLOW FROM INVESTMENTS | 46 | | |
| Investments in intangible assets and property, plant and equipment | | -410,802 | -290,956 |
| Inflow of funds from disposal of intangible assets and property, plant and equipment | | 1,599 | 312 |
| Investments in other financial assets | | -177 | -208 |
| Payment for acquisitions less acquired cash and cash equivalents | | -3,909 | 0 |
| Interest received | | 13,984 | 19,053 |
| Payment/repayment from short-term financial investments | 42 | -399,500 | 91,000 |
| Net outflow of funds in investment sector | | -798,805 | -180,799 |
| CASH FLOW FROM FINANCING SECTOR | 46 | | |
| Receipts from loans granted by related parties | 29,36 | 340,000 | 0 |
| Dividend payment | 49 | -8,815 | -8,815 |
| Repayment of leasing liabilities and rights of use | 33,45 | -29,878 | -14,138 |
| Repayment of liabilities related to the acquisition of 5G spectrum | 46 | -61,266 | -61,266 |
| Interest payments | | -41,937 | -45,458 |
| Net cash inflows/outflows of funds in financing sector | | 198,104 | -129,677 |
| Net increase in cash and cash equivalents | | 3,559 | 942 |
| Cash and cash equivalents at beginning of fiscal year | | 4,139 | 3,197 |
| Cash and cash equivalents at end of reporting period | | 7,698 | 4,139 |

Consolidated Change in Equity Statement

in Financial Years 2024 and 2025

| | Remarks | Share capital | | Treasury shares | | Capital reserve | Cumulative consolidated results | Other equity | Total equity |
|---------------------------------------|---------|--------------------|----------------|-----------------|-------------|------------------|---------------------------------|--------------|------------------|
| | | Denomination | k€ | Denomination | k€ | k€ | k€ | k€ | k€ |
| | | | 38.40 | | | 39.40 | | 39 | |
| Per 1 January 2024 | | 176,764,649 | 194,442 | 465,000 | -512 | 2,439,314 | 3,254,692 | -862 | 5,887,074 |
| Consolidated profit | | | 0 | | 0 | 0 | 212,764 | 0 | 212,764 |
| Other consolidated results | | | 0 | | 0 | 0 | 0 | 41 | 41 |
| Total results | | | 0 | | 0 | 0 | 212,764 | 41 | 212,805 |
| Dividend payments | | | 0 | | 0 | 0 | -8,815 | 0 | -8,815 |
| Employee stock ownership programme | | | 0 | | 0 | 2,906 | 0 | 0 | 2,906 |
| Per 31 December 2024 | | 176,764,649 | 194,442 | 465,000 | -512 | 2,442,220 | 3,458,641 | -821 | 6,093,970 |
| Per 1 January 2025 | | 176,764,649 | 194,442 | 465,000 | -512 | 2,442,220 | 3,458,641 | -821 | 6,093,970 |
| Consolidated profit | | | 0 | | 0 | 0 | 165,704 | 0 | 165,704 |
| Other consolidated results | | | 0 | | 0 | 0 | 0 | 259 | 259 |
| Total results | | | 0 | | 0 | 0 | 165,704 | 259 | 165,963 |
| Dividend payments | 49 | | 0 | | 0 | 0 | -8,815 | 0 | -8,815 |
| Employee stock ownership programme | 37 | | 0 | -216,340 | 238 | -2,631 | 0 | 0 | -2,393 |
| Changes in the scope of consolidation | | | 0 | | 0 | -253,237 | 0 | 0 | -253,237 |
| Per 31 December 2025 | | 176,764,649 | 194,442 | 248,660 | -274 | 2,186,352 | 3,615,530 | -562 | 5,995,488 |

Consolidated Notes as at 31 December 2025

1. General information about the company and the Financial Statements

The 1&1 Group, together with 1&1 Aktiengesellschaft, Montabaur the listed parent company (hereinafter: "1&1 AG" or, along with its subsidiaries, "1&1" or "Group"), is a telecommunications provider that operates in Germany and runs its own mobile network.

The address and domicile of 1&1 AG, the parent company of the Group, is Elgendorfer Straße 57 in 56410 Montabaur, Germany. The Company is registered in the Commercial Register of the Montabaur Local Court under the number HRB 28530.

The Consolidated Financial Statements of 1&1 AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) as they are applicable in the European Union (EU) and with the commercial law provisions that must be observed in supplement pursuant to Section 315e (1) HGB (German Commercial Code).

1&1 AG prepares the consolidated financial statements for the smallest group of companies and discloses them in the company register. The consolidated financial statements for the largest group of companies are prepared by United Internet AG, headquartered at Elgendorfer Straße 57, 56410 Montabaur, Germany, and disclosed in the company register.

The euro (€) is the currency of the reporting. The figures in the Notes are shown as designated in each specific case in euros (€), thousand euros (€k) or million euros (€m). The financial statements are prepared by applying the principle of cost of acquisition. This principle is not applied to certain financial instruments, which are measured at fair value.

The reporting date is 31 December 2025.

In its meeting on 20 March 2025, the Supervisory Board approved the Consolidated Financial Statements for 2024. The Consolidated Financial Statements for 2024 were published in the Statistical Business Register on 28 April 2025.

The Consolidated Financial Statements for 2025 were prepared by the Management Board on 16 March 2026 and subsequently submitted to the Supervisory Board. The Consolidated Financial Statements will be presented to the Supervisory Board for approval on 17 March 2026. Until the Consolidated Financial Statements have been approved and released for publication by the Supervisory Board, it is theoretically possible

that changes will be made. The Management Board, however, is assuming that the Consolidated Financial Statements will be approved in their current form. They will be published on 19 March 2026.

Shareholdings of 1&1 AG in accordance with Section 313 (2) HGB

The Group includes as of 31 December 2025 the following companies in which 1&1 AG, directly or indirectly, holds a majority interest.

| Name and registered office of the Company | Capital share % |
|--|--------------------|
| 1&1 Telecommunication SE, Montabaur | 100 |
| 1&1 Telecom Holding GmbH, Montabaur ¹ | 100 |
| 1&1 Telecom Sales GmbH, Montabaur ¹ | 100 |
| 1&1 Telecom Service Montabaur GmbH, Montabaur ¹ | 100 |
| 1&1 Telecom Service Zweibrücken GmbH, Zweibrücken ¹ | 100 |
| 1&1 Logistik GmbH, Montabaur ¹ | 100 |
| 1&1 Telecom GmbH, Montabaur ² | 100 |
| A 1 Marketing Kommunikation und neue Medien GmbH, Montabaur | 100 |
| Drillisch Online GmbH, Frankfurt am Main | 100 |
| IQ-optimize Software GmbH, Frankfurt am Main | 100 |
| 1&1 Mobilfunk GmbH, Düsseldorf ³ | 100 |
| 1&1 Towers GmbH, Düsseldorf ⁴ | 100 |
| Drillisch Logistik GmbH, Frankfurt am Main | 100 |
| Blitz 17-665 SE, Frankfurt am Main | 100 |
| Blitz 17-666 SE, Frankfurt am Main | 100 |
| United Internet Management Holding SE, Montabaur ⁵ | 100 |
| 1&1 Versatel GmbH, Düsseldorf ⁶ | 100 |
| CA BG AlphaPi AG, Vienna / Austria | 100 |

(1) Wholly-owned subsidiary of 1&1 Telecommunication SE

(2) Wholly-owned subsidiary of 1&1 Telecom Holding GmbH

(3) Wholly-owned subsidiary of Drillisch Online GmbH

(4) Wholly-owned subsidiary of 1&1 Mobilfunk GmbH

(5) Wholly-owned subsidiary of Blitz 17-665 SE

(6) Wholly-owned subsidiary of United Internet Management Holding SE

All subsidiaries are included in the Consolidated Financial Statements.

Acquisition of 1&1 Versatel

On 30 November 2025, 1&1 AG signed an agreement for the acquisition of 1&1 Versatel GmbH, Düsseldorf, ('Versatel') from its majority shareholder United Internet AG, Montabaur, ('United Internet'), a related party of 1&1 pursuant to Section 111a (1) sentence 2 German Stock Corporation Act (AktG). The acquisition of shares was effected by purchasing all shares in United Internet Management Holding SE, Montabaur, the sole shareholder of Versatel. Through the acquisition, 1&1 gains direct access to the fibre-optic network operated by Versatel with a length of over 68,000 kilometres.

The agreed purchase price for the share acquisition amounts to €1,300 million. In addition, 1&1 undertakes to pay a further €246 million to United Internet AG, as United Internet Management Holding SE was transferred to 1&1 alongside the Versatel shares with a receivable against United Internet AG in the corresponding amount in order to offset the write-down of the Versatel book value to be recognised in United Internet Management Holding SE. The total acquisition costs therefore amount to €1,546 million. However, the payment to United Internet AG and the repayment from United Internet AG to United Internet Management Holding SE will not result in any burden on 1&1 AG. These payments will be made outside of the agreed purchase price of €1,300 million explained below.

The agreed purchase price of €1,300 million will be settled in two instalments of €650 million each, offset against existing cash management receivables owed by United Internet to 1&1 and through a flexible repayable loan granted by United Internet. The transaction does therefore not result in any cash outflow for 1&1.

Depending on Versatel's future business results in the 2027, 2028 and 2029 financial years, the purchase price may increase or decrease by up to €300 million. The decisive factor here is the development of Versatel's EBITDA in the relevant years compared to the target values defined in the purchase agreement. Any adjustment amount would be due in 2030 and would be payable in cash. Due to the short time span of one month between the acquisition date and the balance sheet date, no new information was available as of the balance sheet date that would justify a fair value different from that at the transaction date. As the earn-out clause is based on long-term performance figures and no relevant new information has emerged in the short period of time, the fair value as of the reporting date is set at €0.

Due to the only proportionate inclusion of Versatel in the 1&1 Consolidated Financial Statements for 2025, the transaction has no significant impact on 1&1's most significant financial performance indicators. In the 2025 financial year, Versatel generated a tax loss which could be offset in full against the tax profits within the 1&1 Group.

The acquisition was undertaken in particular due to the existing and, in future, further intensified cooperation between 1&1 and Versatel in the marketing of broadband products and in the construction and operation

of the 1&1 Mobile Network. 1&1 is thereby increasing its depth of value creation in these areas and also expects significant synergies as part of the integration.

The acquisition of 1&1 Versatel GmbH from its majority shareholder United Internet was carried out as a business combination under common control. IFRS does not provide any binding rules for this, so management had to make a discretionary decision as to whether the transaction should be accounted for in accordance with IFRS 3 using the acquisition method (including revaluation of the acquired assets and liabilities) or in accordance with the equally permissible method of predecessor accounting. 1&1 AG decided to account for the acquisition using the predecessor approach. The predecessor approach was preferred because applying the acquisition method in accordance with IFRS 3 would not be economically proportionate in the case of a purely internal reorganisation. The predecessor approach ensures that historical values and economic continuity are maintained. This is in line with established IFRS practice in such situations.

As part of the continuation of carrying amounts, an additional judgment was required regarding whether the carrying amounts and results should be adopted retrospectively or prospectively. In the case of a retrospective adoption, this would mean that the prior-year figures are carried forward and the comparative period is therefore adjusted. In contrast, under a prospective adoption, the carrying amounts are taken over at the acquisition date, i.e., as of 30 November 2025, and the results are included only prospectively. 1&1 AG has opted for the prospective adoption of the carrying amounts and results.

Furthermore, judgment was required regarding whether the carrying amounts in the fixed asset schedule should be adopted as a summarized gross amount or as a net amount after offsetting. 1&1 AG has decided to adopt the summarized gross amounts.

Any difference arising from offsetting the purchase consideration against the unoffset gross amounts of the acquired assets and liabilities must be recognized directly in equity when applying predecessor accounting. 1&1 AG elected to recognize this difference within capital reserves. Based on a purchase consideration of €1,546 million, acquired assets of €3,176 million and assumed liabilities of €1,880 million, a resulting difference of €250 million was recognized directly in equity.

Assets acquired and liabilities assumed:

| | 30/11/2025 |
|---|------------------|
| | €k |
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | 91 |
| Trade accounts receivable | 57,260 |
| Receivables due from associated companies | 461,998 |
| Inventories | 16 |
| Prepaid expenses | 43,252 |
| Other financial assets | 13,889 |
| Other non-financial assets | 2,486 |
| | 578,992 |
| Non-current assets | |
| Trade accounts receivable | 23,238 |
| Other financial assets | 4,016 |
| Property, plant and equipment | 1,915,561 |
| Intangible assets | 221,928 |
| Goodwill | 398,261 |
| Prepaid expenses | 34,181 |
| | 2,597,184 |
| TOTAL ASSETS | 3,176,177 |
| | 30/11/2025 |
| | €k |
| LIABILITIES | |
| Current liabilities | |
| Trade accounts payable | 226,618 |
| Liabilities due to associated companies | 7,936 |
| Contract liabilities | 17,210 |
| Other provisions | 1,075 |
| Other financial liabilities | 92,333 |
| Other non-financial liabilities | 10,364 |
| | 355,536 |
| Non-current liabilities | |
| Trade accounts payable | 2,425 |
| Liabilities due to associated companies | 950,000 |
| Contract liabilities | 64,823 |
| Other provisions | 7,593 |
| Other financial liabilities | 429,385 |
| Deferred tax liabilities | 70,664 |
| | 1,524,890 |
| TOTAL LIABILITIES | 1,880,425 |

The gross carrying amount of the acquired trade receivables amounts to €82.0 million, with impairment losses of €1.5 million recognized on these receivables.

If 1&1 Versatel GmbH had already been included in the scope of consolidation of 1&1 AG as of 1 January 2025, revenues as of 31 December 2025 would have increased by €426.5 million and the consolidated net income would have fallen by €132.0 million.

In addition, on 8 November 2024, 1&1 AG entered into a contract with United Internet Services GmbH, Montabaur, for the purchase of all shares in A1 Marketing, Kommunikation und neue Medien GmbH, Montabaur. The purchase price amounted to €4.0 million. The purchase took effect on 1 January 2025. The consolidation does not result in any significant effects on the 1&1 Group's assets, liabilities, financial position and profit or loss. Like 1&1 AG, United Internet Services GmbH is also part of the United Internet AG Group. The initial consolidation was also completed on the basis of predecessor accounting.

Furthermore, 1&1 holds equity interests which are recognised under other non-current financial assets:

| Name and registered office of the Company | Capital share % |
|--|--------------------|
| High-Tech Gründerfonds III GmbH & Co. KG, Bonn (unchanged from prior year) | 1 |

2. Accounting and valuation methods

This section begins with a description of all of the accounting principles that have been applied uniformly to the periods covered in these financial statements. Following these remarks, the accounting standards applied for the first time in these financial statements as well as the recently issued accounting standards that have not yet been applied will be explained.

2.1 Explanatory comments on major accounting and valuation methods

Consolidation principles

The Consolidated Financial Statements include 1&1 AG and all of the subsidiaries it controls (majority interests). In accordance with IFRS 10, an investor has control of a company when he has the authority to make decisions, is vulnerable to variable returns or is entitled to rights related to the returns and he is in a position

to influence the variable returns as a consequence of his authority to make decisions. The financial statements of the subsidiaries are prepared as at the same reporting date and in application of uniform accounting and valuation methods as the financial statements of the parent company. As necessary, restatements are made in the separate financial statements of subsidiaries to ensure conformity of their accounting methods with those of the Group.

All assets and liabilities, equity, income and expenditures within the Group as well as payment flows from business transactions between Group companies are completely eliminated during consolidation.

The consolidation of a subsidiary begins on the day the Group gains control over the subsidiary. It ends when the Group loses its control over the subsidiary. Assets, liabilities, income and expenditures of a subsidiary acquired or sold during the reporting period are recognised in the Consolidated Financial Statements from the day on which the Group obtains control over the subsidiary until the day on which this control ends.

With the loss of control, any gain or loss arising from the disposal of the subsidiary is recognised in the consolidated statement of comprehensive income in the amount of the difference between (i) the proceeds from the sale of the subsidiary, the fair value of any retained interest, the carrying amount of the non-controlling interests and the cumulative amounts of other comprehensive income attributable to the subsidiary that are reclassified to profit or loss, and (ii) the carrying amount of the subsidiary's net assets derecognised.

Any change in the amount of participation in a subsidiary without loss of control is disclosed in the balance sheet as an equity transaction.

Revenue from contracts with customers

Revenue from contracts with customers is disclosed in the balance sheet on the basis of the following five steps:

- Identification of the contract or contracts with a customer
- Identification of the independent performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations
- Revenue realisation upon satisfaction of the performance obligations

Revenues comprise essentially income from the provision of access to a telecommunications network and the billing of these services on the basis of the existing customer relationships (revenues from access services) as well as revenues from the sale of hardware.

The Group realises revenues primarily from the provision of the access products and from services such as internet and mobile telephony. The transaction price comprises fixed monthly basic fees and variable additional utilisation charges for certain services (e.g., for foreign and wireless connections that are not covered by a flat rate) as well as revenue from the sale of the relevant hardware.

The 1&1 Versatel business segment includes revenues from various standardised and individually tailored telecommunications products for business and wholesale customers. In addition to the provision of traditional fixed-network connections, telecommunications services also include broadband services, networking solutions as telecommunications infrastructure (so-called leased lines) or VPN, value-added services, interconnection, IP services and cloud solutions.

The revenue realisation is based on a breakdown of the transaction price from the customer contract on the basis of the relative single selling prices of individual performance obligations. As a rule, 1&1 Group offers comparable rate plans both with and without hardware. The calculation of the single selling price for the service components is based in these cases on the rate conditions of a service rate plan without hardware. In contrast, the calculation of the single selling prices for the hardware is based on the adjusted market assessment price because relevant hardware without a corresponding mobile services contract is only rarely sold to customers. In doing so, the 1&1 Group primarily uses hardware prices determined and regularly announced by a third-party provider and links these to the given contract terms and conditions when the contract is concluded.

The share of sales for the hardware allocated on this basis is recognised upon delivery to the customer (income realisation based on point in time). As a rule, it exceeds the charge billed to the customer and results in the recognition of a contract asset. This contract asset declines over the course of the term of the contract because of the customer's payments. The revenue share attributable to the service components is recognised over the minimum term of the customer contract (income realisation based on time period).

Insofar as the one-off fees charged to the customer upon conclusion of the contract (e.g., provision or activation fees) do not represent a fundamental right (favourable option for contract renewal), they are not recognised as separate performance obligations, but are instead allocated to the identified performance obligations as part of the transaction price and realised appropriately to their service performance. If the customer is granted fundamental rights in the form of options for the use of additional goods or services, they represent an additional performance obligation to which a part of the transaction price is allocated in consideration of the expected utilisation. The corresponding revenue is then recognised when these future

goods or services are transferred or when the option expires. If one-off fees qualify as favourable renewal options, revenue is realised to this extent over the expected term of the customer contract.

1&1 Group grants to its customers monetary campaign rebates available for a limited time as part of the conclusion of the contract. Such rebates are incorporated into the calculation of the transaction price and distributed to performance obligations by an allocation mechanism, consequently reducing the corresponding revenue.

In accordance with the 1&1 Principle, 1&1 grants to its customers a voluntary revocation right limited to 30 days. If a customer exercises this right according to the 1&1 Principle and revokes his contract, he has a claim to refund of separate transaction components such as billed one-off fees and basic charges. Any fees for use are precluded from the refund claim. In return, 1&1 has a claim for return of any hardware that has been delivered. To this extent, there is no revenue realisation for customer cancellations that are to be expected. Payments received from customers and that will be refunded are shown as refund liabilities and the return claims for supplied hardware resulting from application of the 1&1 Principle are recognised as non-financial assets.

When calculating the transaction price, 1&1 reviewed the materiality of a financing component. The analysis of the current customer contracts has revealed that the financing components are not material. A change in the assumed interest rates or rate plans, however, could in future result in a major financing component. The financing effect is consequently reviewed for its materiality at regular intervals.

1&1 follows the portfolio approach allowed in accordance with IFRS 15.4 for some of its current contracts. Similar customer contracts are grouped together and average values are assumed for certain valuation-relevant parameters, in particular transaction prices, individual sales prices and amortisation periods.

It is reasonable to assume that there is no material impact on the financial statements regardless of whether a portfolio or the individual contracts or performance obligations within that portfolio are assessed.

In the 1&1 Versatel business segment, certain products are provided on the basis of lease arrangements. If substantially all risks and rewards are transferred to the lessee under a lease arrangement, the present value of the minimum lease payments from this economic sale is recognised as revenue at the start of the lease; in the context of the subsequent measurement of the finance lease receivables, interest income is recognised in subsequent periods. The leased assets are derecognised through cost of sales. In addition to the monthly payments, the minimum lease payments also include any provision fees payable at the start of the lease term.

In the case of so-called operating lease arrangements, where substantially all the economic risks and rewards remain with the lessor, the lease payments are recognised as revenue on a straight-line basis over the term

of the contract. Provision fees from operating lease arrangements are deferred as a liability and released over the term of the contract.

Revenue from transactions with related parties

Revenues from services and allocations for United Internet AG and Group undertakings belonging to United Internet Group that are not members of the group of consolidated companies of 1&1 Group are realised as soon as the service has been performed.

Foreign currency translation

Items included in the Consolidated Financial Statements of all Group entities are measured using the currency of the primary economic environment in which the entities operate ("functional currency"). The Consolidated Financial Statements are presented in euros, which is the reporting currency of the 1&1 Group.

Transactions from the investment of cash in the cash flow statement

Pursuant to a cash management agreement with United Internet AG, 1&1 is entitled to accept liquidity from United Internet AG or to invest free liquidity with United Internet AG for a short term. The financing granted within the scope of this business relationship is disclosed as an account due to or an account due from related parties and is generally due or available on a daily basis. A borrowing of liquidity to finance current business must be classified as a financing activity and reported as such in the cash flow statement under cash flow from financing activities. An investment of free liquidity at United Internet AG as well as any changes up to a receivables balance of zero, on the other hand, must be shown in the cash flow statement as cash flow from investing activities. Interest at market rates is paid on resulting receivables and liabilities.

Property, plant and equipment

Property, plant and equipment are always recognised at their cost of acquisition or manufacture less cumulative scheduled depreciation and cumulative impairment losses.

An item of property, plant and equipment is derecognised either upon disposal or when no further economic benefits are expected from the continued use or sale of the asset. The gain or loss from the disposal of the assets is recognised in operating results in the profit and loss account.

The residual values, useful life and depreciation methods are reviewed and, as appropriate, adjusted at the end of every financial year.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives.

The assumed useful life for intangible assets is shown in the following overview:

| | Useful Life in Year |
|---|--------------------------------|
| Tenant fixtures | up to 10 |
| Rights of use to land and buildings | up to 11 |
| Rights of use to network infrastructure | up to 25 |
| Telecommunications equipment | 5 to 20 |
| Distribution grids | 25 |
| Motor vehicles | 5 to 6 |
| Other equipment, fixtures, fittings and equipment | 3 to 19 |
| Rights of use to fixtures, fittings and equipment | up to 4 |
| Office furnishings | up to 13 |
| Servers | 3 to 7 |

The applicable residual useful life for assets of property, plant, and equipment acquired during the corporate acquisition is determined above all on the basis of the aforementioned useful life and the part of the useful life that had passed at the time of the acquisition. The conduct of impairment tests and the recognition of impairment losses and value recoveries correspond to the procedure for intangible assets with a limited useful life (see below).

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred unless they relate to the construction or acquisition of a qualifying asset. Qualifying assets are assets that necessarily require a substantial period of time (defined internally as at least 12 months) to be made ready for their intended use or for sale. In the reporting period as well as in the prior year, no borrowing costs were required to be capitalized.

Corporate mergers and goodwill

Business combinations are generally accounted for using the acquisition method. This includes the recognition at fair value of all identifiable assets and liabilities of the acquired business.

If the initial disclosure in the balance sheet of a corporate merger has not been concluded at the end of a reporting period, provisional amounts are recognised for the items related to the disclosure. If new information becomes known within the valuation period of no more than one year from the point in time of the acquisition that illuminates the relationships at the point in time of the acquisition, the provisionally recognised amounts are corrected and additional assets or liabilities are recognised.

Goodwill from corporate mergers is initially recognised as the excess of the cost of the corporate merger over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. After the initial recognition, goodwill is measured at the cost of acquisition less cumulative impairment losses. Goodwill is reviewed for impairment losses at least once a year or whenever circumstances or changes in circumstances indicate that the carrying amount may have declined.

To determine whether there has been an impairment loss, the goodwill acquired during a corporate merger must be allocated from the day of the takeover to each of the cash-generating units in the corporate group that will benefit from the synergies of the merger. This requirement is independent of whether other assets or liabilities of the corporate group have previously been allocated to these units.

The required impairment loss is calculated by comparing the realisable amount of the cash-generating units to which the goodwill is related with their carrying amount. The realisable amount of an asset or of a cash-generating unit is the higher of the fair value of an asset or a cash-generating unit less cost of selling and the utilisation value. The utilisation value is calculated by discounting the expected future cash flow, based on a discount rate before taxes that reflects current market expectations regarding the interest effect and the specific risks of the asset, to its present value. A suitable valuation model is used to determine the fair value less selling costs. It is based on a DCF model, valuation multipliers, stock prices of subsidiaries traded on stock exchanges or other indicators for a fair value that are available. If the carrying amount of an asset or a cash-generating unit exceeds the realisable amount, the asset or cash-generating unit is regarded as impaired and written down to the realisable amount. An impairment loss recognised for goodwill may not be recovered in following reporting periods. The Group conducts the annual review of the goodwill for recoverability on the reporting date.

A business combination of entities or businesses under common control (Business combination under common control IFRS 3.B1) is a combination in which ultimately all the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Entities may elect between different accounting options for the treatment of business combinations under common control. The transaction can be presented either in accordance with the acquisition method pursuant to IFRS 3 or by applying the predecessor accounting method. The chosen method must be applied consistently and explained transparently in the Notes. 1&1 has elected for the application of the carrying amount method.

Under the predecessor accounting method, the existing carrying amounts of the transferred assets and liabilities are maintained; any difference between the consideration transferred and the carrying amounts is recognised directly in equity.

Intangible assets

The Group has control over an asset if it is in a position to obtain the future economic benefits flowing from the underlying resource and it can restrict access to these benefits by third parties. Singly acquired intangible assets are measured at cost of acquisition at the time of their initial recognition. The cost of acquisition of intangible assets acquired as part of a corporate merger corresponds to their fair value at the time of the acquisition. In the following periods, intangible assets are presented at cost of acquisition less cumulative amortisation and cumulative impairment losses. Costs for self-produced intangible assets (with the exception of development costs that can be capitalised) are recognised as operating results in the period in which they are incurred.

Development costs of a single project are capitalised as intangible assets only if the Group can prove the following:

- The completion of the intangible asset can be technically realised to the extent that it can be used or sold;
- 1&1 intends to complete the intangible asset and use or sell it;
- 1&1 is able to use or sell the intangible asset;
- The manner in which the intangible asset is expected to generate future economic benefits; among other things, 1&1 can demonstrate the existence of a market for the products of the intangible asset or for the intangible asset itself or, if it is to be used internally, the benefit of the intangible asset;
- Adequate technical, financial and other resources are available to complete development and to use or sell the intangible asset;

- 1&1 is able to assess reliably the expenditures attributable to the intangible asset during its development.

A distinction is made between intangible assets with limited and indeterminate useful lives and intangible assets that cannot yet be used at this time (spectrum). The 2 GHz spectrum 5G frequencies are currently not yet available for use.

Intangible assets with a limited useful life are amortised by the straight-line method over the commercial useful life and reviewed for a possible impairment loss whenever there are indications that the intangible asset may have lost value. The procedure for the recoverability test is the same as for the recoverability test for goodwill. The useful life and the amortisation method in the case of intangible assets with a limited useful life are reviewed (as a minimum) at the end of each and every financial year. Any required changes in the amortisation method and the useful life are treated as changes in estimates. Amortisation of intangible assets with a limited useful life is recognised in the profit and loss account under the expense category corresponding to the function of the intangible asset in the company.

The amortisation of capitalised development costs begins upon conclusion of the development phase and from the point in time at which use of the asset can begin. It is recognised over the period of expected future benefits and is included in the expense category consistent with the function of the intangible asset in the company. A recoverability test is performed annually during the development phase.

Intangible assets with an indeterminate useful life and intangible assets that cannot yet be used at this time are not amortised according to a schedule, but are reviewed for recoverability at least once a year on the reporting date at the level of the specific asset or at the level of the cash-generating unit. The procedure is the same as for the recoverability test for goodwill. The useful life of an intangible asset with an indeterminate useful life is reviewed once annually to determine whether the estimation of an indeterminate useful life is still justified. If this is not the case, the estimation of an indeterminate useful life is changed to a limited useful life on a future basis. The amortisation of the 5G frequencies in the 3.6 GHz spectrum began at the time of actual network operation on 28 December 2022. Amortisation of the intangible assets that are currently not yet usable (2 GHz spectrum) will begin at the start of the term of the allocated frequencies in 2026.

The assumed useful life for intangible assets is shown in the following overview:

| | Useful Life in Year |
|------------------------------------|--------------------------------|
| Trademark rights | indeterminate |
| Clientele | 4 to 25 |
| Spectrum | until 16 |
| Other licences and other rights | 2 to 15 |
| Rights similar to concessions | 5 |
| Software | 2 to 5 |
| Own produced intangible assets | 3 |
| Rights of use to intangible assets | 6 |

In addition, there is a review on every reporting date to determine whether there are any indications that a previously recognised impairment loss no longer exists or has diminished. If there are any such indications, the Group estimates the realisable amount. A previously recognised impairment loss is reversed solely if there has been a change in the estimates used in the calculation of the realisable amount since the recognition of the last impairment loss. If this is the case, the carrying amount of the asset is written up to its realisable amount. This amount, however, may not exceed the carrying amount that would result after consideration of the depreciation if no impairment losses for the assets had been recognised in previous years.

Inventories

Inventories are measured at the lower of cost of acquisition or manufacture and net selling value. The net selling value is the estimated income from the sale less the estimated required selling costs. Adequate valuation allowances for surplus stocks are taken in consideration of inventory risks.

If there are indications of a decline in the net selling income, the inventory stocks are corrected by appropriate impairment losses.

Contract assets

A contract asset is the Group's legal claim to consideration for the goods and services transferred by the Group to the customer insofar as this claim is not linked solely to the passage of time. Every unconditional claim to receipt of consideration is disclosed separately as a receivable. Contract assets are regularly reviewed to determine whether the value of a contract asset has declined. The procedure is analogous to that used for financial assets.

Costs of obtaining and fulfilling contracts

Additional costs incurred when obtaining a contract with a customer (e.g., sales commissions) are capitalised if and when the Group can assume that it will recover these costs.

Moreover, the Group capitalises the costs incurred during the fulfilment of a contract with a customer (e.g., provision fees and expected termination charges) insofar as these costs

- do not fall under the application of a standard other than IFRS 15 (e.g., IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets),
- relate to an existing or expected contract,
- lead to the procurement of resources or to improvement in the Company's resources that will be used in future for the (continued) satisfaction of performance obligations, and
- compensation of the costs is expected.

Capitalised costs to obtain and fulfil contracts are amortised by scheduled depreciation over the estimated term of the contract. They are recognised in the balance sheet under prepaid expenses. The amortisation of the costs to obtain contracts is disclosed in distribution costs and the amortisation of contract fulfilment costs is disclosed in the cost of sales.

The estimate of the amortisation periods to be applied is reviewed regularly.

The recognised amortisation periods for costs to obtain contracts are set at 2.5 to 4.5 years and the periods for costs to fulfil contracts at 2.0 to 3.5 years.

An impairment loss is taken if the carrying amount of the capitalised costs exceeds the remaining part of the expected consideration from the customer for the delivery of goods or the performance of services less the related costs incurred.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when

- it is expected to be realised within the normal operating cycle, or

- it is held for the purpose of being sold or consumed within that period,
- it is held primarily for the purpose of trading,
- it is expected to be realised within twelve months after the reporting date, or
- it is cash or a cash equivalent, unless the exchange or use of the asset to settle a liability is restricted for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when

- it is expected to be settled within the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting date, or
- the company does not have a right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

Measurement of the fair value

Some assets and liabilities are measured at fair value at the time of the initial recognition or during the subsequent measurement.

Fair value is the price that would be paid during an orderly business transaction between market participants on the measurement date for the sale of an asset or the transfer of a debt. It is assumed for the measurement of fair value that the business transaction during which the asset is sold or the liability is transferred is conducted either in the

- principal market for the asset or liability, or

- in the most advantageous market for the asset or liability, in the absence of a principal market.

The Group must have access to the active market or to the most advantageous market.

The fair value of an asset or a liability is measured on the basis of the assumptions that the market participants would use as the basis for pricing the asset or liability. It is assumed here that the market participants are acting in their best economic interests.

When measuring the fair value of a non-financial asset, the ability of the market participant to generate an economic benefit from the highest and best use of the asset or from its sale to another market participant who finds the highest and best use for the asset is taken into account.

The Group applies measurement techniques appropriate to the specific circumstances and for which adequate data for measurement of the fair value are available. The use of decisive, observable input factors must be kept as high as possible and the use of unobservable input factors must be kept as low as possible during this process.

All assets and liabilities for which the fair value is determined or disclosed in the financial statements are classified according to the fair value hierarchy shown below, based on the input parameters for the lowest level that is authoritative overall for the measurement of the fair value:

- Level 1 – Prices (non-adjusted) quoted on active markets for identical assets or liabilities
- Level 2 – Measurement procedures during which the input parameters of the lowest level that is authoritative overall for the measurement of the fair value can be observed on the market directly or indirectly
- Level 3 – Measurement procedures during which the input parameters of the lowest level that is authoritative overall for the measurement of the fair value cannot be observed on the market.

In the case of assets and liabilities that are recognised on a recurring basis in the financial statements, the Group determines whether there have been any reclassifications between the levels of the hierarchy by reviewing the classification (based on the input parameters of the lowest level that is authoritative overall for the measurement at fair value) at the end of each reporting period.

The Group has defined groups of assets and liabilities based on their type, their features and their risks as well as on the levels of the fair value hierarchy described above so that the disclosure requirements concerning the fair value can be met.

Leases

1&1 acts as both lessee and lessor.

The majority of lease contracts in the Group relate to the leasing of network infrastructure, buildings and vehicles. The leased network infrastructure essentially includes dark fibre, duct systems, copper pairs, leases of subscriber lines (TAL), and antenna sites.

The question of whether an agreement contains a lease is answered on the basis of the economic content of the agreement at the time of the conclusion of this agreement and requires an estimation of whether the performance of the contractual agreement is dependent on the use of a specific asset or specific assets and whether the agreement grants a right to the utilisation of the asset.

The Group assesses at the inception of an agreement whether an agreement constitutes or contains a lease. This is the case when the agreement establishes the right to control the use of an identified asset for a specified period of time in return for consideration.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date (i.e. the date on which the underlying leased asset is available for use). Right-of-use assets are measured at cost less any cumulative depreciation and any cumulative impairment losses and are adjusted for any revaluation of the lease liabilities. The costs of right-of-use assets include the recognised lease obligations, the initial direct costs incurred and the lease payments made at or before the provision of the leased asset less any lease incentives received. The Group determines the term of the lease on the basis of the non-cancellable basic term of the lease and including the periods resulting from an option to extend the lease if it is reasonably certain that it will exercise this option or the periods resulting from an option to terminate the lease if it is reasonably certain that it will not exercise this option. Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term and the expected useful life of the leases as follows:

- Land and buildings up to 11 years
- Network infrastructure including antenna sites up to 25 years
- Fixtures, fittings and equipment up to 4 years
- Intangible assets 6 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or if the costs include the exercise of a purchase option, depreciation is determined on the basis of the expected useful life of the leased asset.

Leasing liabilities

On the date of provision, the Group recognises lease liabilities at the present value of the lease payments to be made over the term of the lease. Lease payments comprise fixed payments (including de facto fixed payments) less any lease incentives to be received, variable lease payments linked to an index or (interest) rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it and penalties for termination of the lease if the lease term takes into account that the Group will exercise the termination option. Periods resulting from an option to extend the lease, insofar as it is reasonably certain that this option will be exercised, or periods resulting from an option to terminate the lease, insofar as it is reasonably certain that this option will not be exercised, are included in the lease term. Variable lease payments not linked to an index or (interest) rate are recognised as expenditures in the period in which the event or condition giving rise to the payment occurs.

In calculating the present value of the lease payments, the Group uses its incremental borrowing rate of interest as at the provision date of the lease because the interest rate on which the lease is based cannot be readily determined. After the provision date, the amount of lease liabilities is increased to reflect the higher interest expense and decreased to reflect lease payments made. In addition, the carrying amount of lease liabilities is reassessed in the event of changes in the lease, changes in the term of the lease, changes in lease payments (for example, changes in future lease payments resulting from a change in the index or interest rate used to determine those payments) or a change in the assessment of a purchase option for the underlying asset.

The incremental borrowing rate of interest is derived from reference interest rates for a period of up to 25 years from risk-free interest rates appropriate to the term, increased by loan risk surcharges.

Lease receivables

In cases where Group companies enter into finance lease contracts as a lessor, a receivable is recognised in the amount of the net investment in the lease. Lease payments are split into the repayment of the lease receivable and finance income.

If the Group bears substantially all the risks and rewards (operating lease), the leased asset is recognised in the balance sheet by the lessor. The valuation of the leased asset is based on the accounting regulations applicable to that asset. Lease instalments are recognised in revenue by the lessor through profit or loss.

Provision fees from operating lease arrangements are deferred as a liability and released over the term of the contract.

Short-term leases and leases involving an underlying asset of minor value

IFRS 16 provides two exceptions: leasing of low-value assets (e.g., PCs) and short-term leases (e.g., leases with a term of 12 months or less). The Group exercises the exemption provided in the standard for leases with a term that expires within 12 months from the date of provision and the exemption for leases for which the underlying asset is of low value. Lease payments for short-term leases and for leases involving an asset of minor value are recognised as an expense on a straight-line basis over the term of the lease.

Financial instruments

A financial instrument is a contract which simultaneously leads to the creation of a financial asset for one company and to the creation of a financial liability or equity instrument for another company.

Financial assets – initial recognition and measurement

With the exception of trade receivables that do not include a significant financing component or that have a term of less than one year, the Group measures all financial assets at fair value during the initial recognition and, in the case of a financial asset that is subsequently not measured at fair value through profit and loss, plus the directly attributable transaction costs. Trade accounts receivable that do not include a significant financing component or that have a term of less than one year are measured at transaction price. Reference is made here to the accounting method in the section Revenue realisation – revenue from contracts with customers.

Purchases or sales of financial assets that foresee the delivery of the assets within a period of time defined by regulations or conventions of the relevant market (standard market purchases) are recognised on the trading day, i.e. on the day on which the Group has assumed the obligation to purchase or sell the asset.

Financial assets – subsequent measurement

The classification of financial assets during initial recognition for the purposes of the subsequent measurement is dependent on the properties of the contractual cash flow of the financial assets and on the Group's business model for management of the financial assets. Financial assets are classified in three categories:

- For the subsequent measurement financial assets (debt instruments) measured at amortised cost (ac)
- Financial assets (equity instruments) measured at fair value through other comprehensive income without recycling to profit and loss (fvoci)
- Financial assets measured at fair value through profit or loss (fvtpl)

Financial assets (debt instruments) measured at amortised cost

The Group measures financial assets at amortised cost provided that the two conditions shown below are met:

- The financial asset is held within the framework of a business model that has the objective of holding financial assets for the collection of contractual cash flows; and
- The terms and conditions of the contract of the financial asset result in cash flows at the defined point in time that represent solely repayment and interest payments on the outstanding capital amount.

Financial assets measured at amortised cost are measured by applying the effective interest method in subsequent periods and must be reviewed for impairments. Gains and losses are recognised through profit and loss when the asset is derecognised, modified, or impaired.

Financial assets (equity instruments) measured at fair value through other comprehensive income without recycling to profit and loss

At the time of initial recognition, the Group may make an irrevocable choice to classify its equity instruments as at fair value through other comprehensive income, provided that they satisfy the definition of equity in accordance with IAS 32 Financial Instruments: Presentation and are not held for trading. Each instrument is classified separately.

Gains and losses from these financial assets are never reclassified in the profit and loss account. Dividends are recognised in the profit and loss account as Other income if there is a legal claim to payment unless a part of the costs of acquisition of the financial assets is recovered through the dividends. In this case, gains

are recognised in Other results. Equity instruments measured at fair value through other comprehensive income are not reviewed for impairment.

Financial assets measured at fair value through profit and loss

The group of financial assets measured at fair value through profit and loss includes the financial assets held for trading, financial assets that were classified during initial recognition as measured at fair value through profit and loss or financial assets for which measurement at fair value is mandatory. Classification as financial assets for trading is mandatory if such assets are acquired for sale or for surrender in the near future. Derivatives, including embedded derivatives recognised separately, are also classified as held for trading. Financial assets with cash flows that do not serve exclusively repayment and interest payments are classified at fair value through profit and loss and measured accordingly, regardless of the business model. In addition, debt instruments can be measured at fair value through profit and loss during initial recognition if this eliminates or significantly reduces an accounting anomaly.

A derivative with a financial or non-financial liability as the underlying contract embedded in a hybrid contract is separated from the basic contract and disclosed separately in the balance sheet if the economic characteristics and risks of the embedded derivative are not closely tied to the basic contract, an independent instrument subject to the same terms and conditions as the embedded derivative would meet the definition of a derivative and the hybrid contract is not measured at fair value through profit and loss.

Financial assets measured at fair value through profit and loss are recognised at fair value in the balance sheet, whereby the changes in fair value are recognised as a balance in the profit and loss account. Dividends from listed equity instruments are also recognised as Other income in the profit and loss account if there is a legal claim to payment.

Derecognition of financial assets

A financial asset (or a part of a financial asset or a part of a group of similar financial assets) is derecognised whenever the contractual rights to the procurement of cash flows from the financial asset have expired. The gains and losses recognised for financial assets measured at fair value in other comprehensive income are reclassified to cumulative profit or loss. A pro rata transfer posting is made for pro rata disposal.

Impairment of financial assets

The Group applies a simplified (one-step) method for the calculation of the expected credit losses from trade receivables and contract assets, whereby a risk provision in the amount of the credit losses expected over the remaining term is recognised on every closing date.

The determination of the expected future credit losses is based on regular reviews and valuations within the framework of the credit monitoring. Relationships between credit losses and various factors (e.g., payment agreements, overdue periods, dunning level etc.) are regularly determined on the basis of historical data. Based on these relationships and supplemented by current observations and future-related assumptions relating to the portfolio of receivables and contract assets on the closing date, future credit losses are estimated.

The Group recognises a valuation allowance for expected credit losses for all debt instruments that are not measured at fair value through profit and loss. Expected credit losses are based on the difference between the contractual cash flows that are to be paid in accordance with the contract and the total of the cash flows the Group expects to receive, discounted by an approximate value of the original effective interest rate. The expected cash flows include the cash flows from the sale of the held securities or other collateralisations that are an essential component of the terms and conditions of the contracts. Expected credit losses are recognised in two steps. A risk provision in the amount of the expected credit losses resulting from a default event within the next twelve months is recognised for financial instruments whose risk of default has not significantly increased since the initial measurement. A risk provision in the amount of the credit losses expected over the remaining term is recognised for financial instruments whose risk of default has increased significantly since the initial measurement, regardless of when the default event occurs.

The Group's operating business is essentially found in mass customer business. Risks of default are consequently taken into consideration by means of valuation allowances and lump-sum valuation allowances. The valuation allowances for overdue receivables are determined essentially in dependency on the age structure of the receivables with differing measurement discounts that are basically derived from the success quota of the collection agencies engaged to collect overdue receivables and from analyses of return debit notes. The ageing structure of the receivables is presented in Note 17. Receivables that are overdue by more than 365 days are restated at a valuation allowance of 97.5 per cent to 100 per cent. Trade accounts receivable that have been fully value-adjusted are derecognised 180 days after handover to a collection agency unless there has been a positive report from the collection agency or unexpected receipt of payment from the customer for a value-adjusted receivable or if knowledge of the customer's insolvency is obtained before or after handover to the collection agency. Receivables that are more than 90 days overdue are only partially impaired based on empirical values derived from the reported success rates of collection agencies.

Additional details on the impairment of trade receivables and contract assets are provided in the following information in the Notes:

- Significant discretionary decisions and estimates (Note 3)
- Trade accounts receivable (Note 17)

- Contract assets (Note 18)
- Objectives and methods of financial risk management (Note 43)

Financial liabilities – initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities measured at fair value through profit and loss or as financial liabilities that are to be measured at amortised cost.

All financial liabilities are measured at fair value at initial recognition; in the event of financial liabilities measured at amortised cost, they are measured less the directly attributable transaction costs.

Financial liabilities – subsequent measurement

The subsequent measurement of financial liabilities is dependent on their classification:

Financial liabilities measured at fair value through profit and loss

This category encompasses the derivative financial instruments concluded by the Group. Embedded derivatives recognised separately are also classified as held for trading. Gains or losses from financial liabilities held for trading are recognised through profit and loss.

Financial liabilities measured at amortised cost

After initial recognition, financial liabilities classified as measured at amortised cost are measured by application of the effective interest rate method. The amortised costs are calculated in consideration of premiums and discounts and of fees or costs that represent an integral component of the effective interest rate. The amortisation from the effective interest rate method is included in the profit and loss statement as part of the financing expenses.

Financial liabilities – derecognition

A financial liability is derecognised when the obligation on which it is based has been satisfied or revoked or has expired. If a current financial liability is replaced by another financial liability from the same lender at substantially different contractual terms and conditions or if the terms and conditions of a current liability are fundamentally modified, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amounts of the liabilities

is recognised through profit and loss. If the replacement or modification is not recognised as a repayment, any costs or fees that may be incurred lead to a restatement in the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Balancing of financial instruments

Financial assets and liabilities are balanced and the net amount is disclosed in the consolidated balance sheet if at the present point in time there is a legal right to offset the recognised amounts against one another and there is the intention to balance them on a net basis or to discharge the relevant liability simultaneously with the realisation of the pertinent asset.

Own stock

Own stock is deducted from equity. Purchase, sale, issue or redemption of own stock is not recognised through profit and loss.

The Group uses the following order of use:

- The recognition of redemption is always carried out in the nominal amount as a debit of share capital.
- Any amount in excess of the nominal amount is initially derecognised in the amount of the value contribution from employee stock option programmes (SAR and debenture bonds) against capital reserves.
- Any amount in excess of the value contribution from employee stock option programmes is derecognised against the cumulative consolidated results.

Cash and cash equivalents

Cash and cash equivalents comprise cash in banks, other money investments, cheques and cash on hand that all have a high degree of liquidity and a remaining term of less than 3 months, calculated from the point in time of acquisition. Cash and cash equivalents are measured at cost.

Pensions and similar benefits after termination of the employment relationship

Payments for contribution-oriented pension schemes are recognised as expenses together with payroll payments to the employee.

Contract liabilities

A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group has provided goods or services to the customer, a contract liability is recognised at the point in time of the payment or, at the latest, at the point in time at which the payment becomes due. Contract liabilities are recognised as revenue as soon as the Group has satisfied the contract performance obligations.

Provisions

Provisions are recognised when the Group has a present legal or factual obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. No provisions are created for future operating losses.

Provisions are measured at present value based on management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market expectations about the fair value of the money and the specific risks associated with the liability. The increase in the provision due to the passage of time is recognised as interest expense.

To the extent that the Group expects at least a partial reimbursement for a provision recognised in the liabilities of the balance sheet (e.g., from an insurance policy), the reimbursement is recognised as a separate asset, provided that the inflow of the reimbursement is virtually certain. The expense from the creation of a provision less the reimbursement is disclosed in the profit and loss account.

Share-based payment

The Group's employees and Management Board members receive in part share-based payment in the form of equity instruments of appreciation rights that may, at the Group's option, be settled in cash or by the issue of equity instruments as remuneration for the work they have done. As there is at present no cash

settlement obligation for 1&1 with regard to the SAR Drillisch, all stock-based payment transactions are disclosed in the balance sheet as equity-settled agreements.

As these are agreements with employees and board members in each case, the value of the work performed cannot be determined directly. Instead, in accordance with IFRS 2.10, the consideration for the work performance is determined indirectly via the consideration for the equity instruments granted.

The costs incurred from agreements on settlement through equity instruments are measured at the fair value of these equity instruments at the time they are granted. The fair value is calculated using a suitable option price model (Black-Scholes model or Monte Carlo simulation). A new estimate of the exercise volume to be expected is made on every measurement date with the consequence of an appropriate restatement of the allocated contribution in consideration of the contribution of the past. Required restatements must be made in each of the periods in which new information about the exercise volume becomes known. Expenses resulting from equity-settled and cash-settled agreements are recognised over the period during which the work service is rendered (so-called vesting period). This period ends on the day on which the vesting conditions (service and performance conditions) are fulfilled for the first time, i.e. the date on which the employee in question becomes irrevocably entitled to draw. Agreements settled using equity instruments are recognised in equity. The cumulative expenses disclosed on every balance sheet closing date until the first opportunity to exercise the instruments reflect the previously expired part of the vesting period and the number of equity instruments that will actually become exercisable upon the expiration of the vesting period in the best possible estimate of the Group. A fluctuation probability of 0 per cent is assumed in each case. The income or expense recognised in personnel expenses in the period result corresponds to the development of the expenses recognised cumulatively at the beginning and end of the reporting period. No expense is recognised for claims that do not vest due to unfulfilled service or non-market performance conditions.

Major parameters include in particular the stock price on the valuation closing date, the exercise price, the presumable term of the option, volatility, exercise behaviour and dividend rights.

When new equity instruments are granted pursuant to the cancellation of previously granted equity instruments, IFRS 2.28(c) requires an assessment of whether the newly granted equity instruments are a replacement of the previous or cancelled instruments.

For cancelled equity instruments, the full outstanding expense must be recognised immediately at the time of cancellation (see IFRS 2.28(a)).

If they are identified as a replacement, the new equity instruments are accounted for in the same way as a modification of the originally granted instruments. New equity instruments that were not granted as a replacement for cancelled equity instruments are recognised as newly granted equity instruments. The received

benefits are recognised as a minimum at the fair value determined on the grant date (of the original instruments). If the changes are beneficial to the employee, the additional fair value of the new equity instruments is determined and allocated as an additional expense over the vesting period. The additional fair value is determined from the difference between the fair value of the equity instruments identified as replacements and the net fair value of the cancelled equity instruments on the date the replacement instruments were granted.

Profit per share

The "undiluted" profit per share (basic earnings per share) is calculated by dividing the results attributable to the holders of registered shares by the average number of shares, weighted for the time period.

The "diluted" profit per share is calculated in a similar way to the profit per share with the exception that the average number of issued shares is increased by the number that would have resulted if the exercisable subscription rights from the issued employee share option programme had been exercised.

Financial income

Interest income is recognised when the interest accrues (using the effective interest rate, i.e. the calculation interest rate at which the estimated future payment inflows over the expected term of the financial instrument are discounted to the net carrying amount of the financial asset).

Actual and deferred taxes

The tax expenses of a period comprise actual taxes and deferred taxes. Taxes are recognised in the profit and loss account unless they are related to transactions that are recognised in other results or directly in equity. In these cases, the taxes are recognised accordingly in other results or directly in equity.

Actual taxes are measured in the amount of an expected reimbursement from the tax authorities or an expected payment to the tax authorities. The calculation of the amount is based on the tax rates and tax laws applicable on the reporting date.

Deferred taxes are created, applying the liabilities method, on any temporary differences between the valuation of an asset or a debt in the balance sheet and the tax valuation existing on the reporting date.

Deferred tax liabilities are recognised for any and all taxable temporary differences with the following exceptions

- deferred tax liabilities from the initial recognition of goodwill or an asset or a liability related to a business incident that is not a corporate merger and that does not have any effect on the period result in accordance with IFRS or on the taxable profit at the point in time of the business incident, and does not give rise to equal amounts of taxable and deductible temporary differences, and
- deferred tax liabilities from taxable temporary differences related to holdings in subsidiaries, related parties and shares in joint ventures if the temporal course of the reversal of the temporary differences can be steered and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all temporary deductible differences, tax-related accumulated deficits carried forward that have not yet been utilised and tax credit notes that have not yet been utilised to the extent that it is likely that taxable income against which the deductible temporary differences and the tax-related accumulated deficits carried forward and tax credit notes that have not been utilised can be applied will be available, subject to these exceptions

- deferred tax assets arising from deductible temporary differences that originate from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit, and does not give rise to equal deductible and taxable temporary differences; and
- deferred tax assets from taxable temporary differences related to holdings in subsidiaries, related parties and shares in joint ventures if it is probable that the temporary differences will not reverse in the foreseeable future and there will not be sufficient taxable income against which the temporary differences can be utilised.

The carrying amount of the deferred tax assets is reviewed on every reporting date and reduced by the amount for which sufficient taxable profit against which the deferred tax assets can be utilised, at least in part, is no longer likely to be available. Deferred tax assets that have not been recognised are reviewed on every reporting date and recognised in the amount to which it has become likely that a future taxable profit will make the realisation of the deferred asset possible.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period in which an asset is realized or a liability is settled. The measurement is based on the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset against each other if the Company has an actionable claim to offsetting of the actual tax reimbursement claims against actual tax liabilities and they are related to taxes on income of the same tax subject that have been levied by the same tax authority.

In accordance with the IAS 12 International Tax Reform – Pillar Two Model Rules, 1&1 applies the temporary, mandatory exemption from the recognition of deferred taxes resulting from the introduction of global minimum taxation.

The only jurisdictions to be included for Pillar Two purposes, Germany and Austria, have already passed the final implementation laws.

The comprehensive analysis based on the financial figures of the current financial year indicates that Germany and Austria are not expected to qualify as low-tax jurisdictions for Pillar Two purposes.

The regulations on global minimum taxation (Pillar Two) have been applied to the United Internet Group, whose Consolidated Financial Statements include the 1&1 Group, since 1 January 2024.

Summary of valuation principles

The Group's valuation principles can be essentially summarised and simplified – insofar as there are no impairments – as shown below:

| Balance sheet item | Valuation |
|---|--|
| ASSETS | |
| Cash and cash equivalents | At amortised cost |
| Trade accounts receivable | At amortised cost |
| Receivables due from associated companies | At amortised cost |
| Inventories | Lower of costs of acquisition or manufacture and net selling value |
| Contract assets | At amortised cost |
| Prepaid expenses | At amortised cost |
| Other financial assets | At amortised cost or at fair value through other comprehensive income Other financial assets in Other earnings without reclassification of accumulated gains and losses on derecognition |
| Income tax assets | Expected inflow of funds with respect to fiscal authorities based on tax rates applicable on the closing date or that will apply in near future |
| Other non-financial assets | At amortised cost |
| Property, plant and equipment | At amortised cost |
| Intangible assets | |
| with determinate useful life | At amortised cost |
| with indeterminate useful life | Impairment-only approach |
| not yet useable | Impairment-only approach |
| Deferred tax assets | Undiscounted measurement at the tax rates applicable during the period in which an asset is realised or a liability is satisfied |
| LIABILITIES | |
| Trade accounts payable | At amortised cost |
| Liabilities due to associated companies | At amortised cost |
| Contract liabilities | At amortised cost |
| Other provisions | Expected discounted amount that will lead to outflow of resources |
| Other financial liabilities | At amortised cost |
| Other non-financial liabilities | At amortised cost |
| Income tax liabilities | Expected payment to fiscal authorities based on tax rates applicable on the closing date or that will apply in near future |
| Deferred tax liabilities | Undiscounted measurement at the tax rates applicable during the period in which an asset is realised or a liability is satisfied |

Basic accounting principles

The consolidated comprehensive income statement is structured according to the cost-of-sales method. Estimates are required for the preparation of the Consolidated Financial Statements. Moreover, the application of the corporation-wide accounting and valuation methods requires assessments by management. Areas in which there is greater freedom for assessments or a higher level of complexity or areas in which assumptions and estimates are of decisive importance for the Consolidated Financial Statements are described in section 3.

2.2 Effects of new or amended IFRS

In financial year 2025, application of the following standards and interpretations as revised or newly published by the IASB was mandatory:

| Standard | | Mandatory application for financial years beginning as of | adoption by EU Commission |
|-----------------------|---|---|---------------------------|
| Amendments to: IAS 21 | Amendment: lack of convertibility of a currency | 01/01/2025 | Yes |

These amendments did not have any material impact on the Consolidated Financial Statements and are not expected to have a material impact on the Group in the future.

2.3 Announced accounting standards that have not yet become effective

In addition to the aforementioned IFRS for which application is mandatory, IASB has announced additional IFRS and IFRIC; some of them have already completed the EU endorsement procedure, but their application does not become mandatory until a later point in time. 1&1 AG will presumably not begin application of these standards during preparation of the Consolidated Financial Statements until their application becomes mandatory.

| Standard | | Mandatory application for financial years beginning as of | adoption by EU Commission |
|--|--|---|---------------------------|
| Amendments to: IFRS 7 and 9 | Classification and measurement of financial instruments | 01/01/2026 | Yes |
| Amendments to: IFRS 7 and 9 | Mapping of Contracts Referencing Nature-dependent Electricity | 01/01/2026 | Yes |
| Amendments to: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 | Annual Improvements Project 2024 | 01/01/2026 | Yes |
| Amendment to: IFRS 18 | Presentation and disclosure in financial statements (replaces IAS 1) | 01/01/2027 | Yes |
| Amendment: IAS 21 | Clarification of the translation of financial statements from a non-hyperinflationary functional currency to a hyperinflationary presentation currency | 01/01/2027 | No |
| Amendment to: IFRS 19 | Subsidiaries without public accountability | 01/01/2027 | No |

The new accounting standard IFRS 18 replaces the previous IAS 1 – *Presentation of Financial Statements*. Its objective is to enhance the structure and comparability of financial reporting.

The key changes introduced by IFRS 18 include:

- Introduction of mandatory subtotals in the statement of profit or loss, such as “operating profit before financing and tax”, and allocation of income and expenses to clearly defined categories (Operating, Investing, Financing).
- Enhanced disclosures on entity-specific performance measures (“Management Performance Measures”) used in public communication to reflect management’s view of the entity’s financial performance.
- New principles for the aggregation and disaggregation of financial line items, aimed at achieving more detailed and consistent reporting.
- Adjustments to the statement of cash flows, in particular to harmonise presentation, including the removal of certain presentation options.

The initial application of IFRS 18 is currently expected to result in adjustments to the structure and presentation of the statement of profit or loss. Changes in the recognition of income and expenses may also arise. Overall, however, we do not expect significant impacts on the presentation of the Group’s financial position, financial performance or cash flows. The precise effects are currently being analysed as part of a group-wide implementation project.

No material impacts are expected from the other published but not yet effective amendments to IFRS.

3. Significant discretionary decisions and estimates

During preparation of the financial statements, management makes discretionary decisions, estimates and assumptions that affect the amounts of the income, expenses, assets and liabilities disclosed on the closing date and the disclosure of contingent liabilities. The uncertainty related to these assumptions and estimates may, however, lead to results that in future require substantial restatements in the carrying amount of the relevant assets or liabilities.

Discretionary decisions, estimates and assumptions

In applying the accounting valuation methods, management has made the following discretionary decisions that have a significant effect on the amounts recognised in the financial statements.

The most important assumptions related to the future and other significant sources of estimate uncertainty on the closing date that give rise to substantial risk that a major restatement in the carrying amounts of assets and liabilities will become necessary within the next financial year are explained below.

For business combinations under common control, IFRS do not provide binding guidance. Accordingly, judgment must be exercised with respect to the consolidation method and, when applying predecessor accounting, with respect to whether the carrying amounts are applied retrospectively or prospectively. For the business combinations executed in 2025, 1&1 AG elected to apply predecessor accounting on a prospective basis.

Effects of climate change

Environmental and social concerns can have an impact on the recoverability of the Group's assets in various ways. These risks include in particular rising energy prices for renewable energies used in the operation of our 1&1 Mobile Network. The recoverability of the 5G spectrum was reviewed as part of the annual impairment test (Note 27).

The Company currently assumes that impacts caused by environmental and social concerns will not have a material effect on the assumed cost structure, the impairment tests and (consequently) the Consolidated Financial Statements.

General economic situation

The macroeconomic environment remained complex in 2025. The ongoing war in Ukraine, tensions in the Middle East, and the political positioning of the USA continue to cause significant uncertainty. Following two years of recession, the German economy underwent a phase of stagnation in 2025 with only slight growth.

The 1&1 Group is responding by actively addressing these challenges and integrating them into its business decisions, particularly through the development of risk-mitigation strategies, such as diversified procurement strategies to ensure a secure and fair energy supply.

Although the 1&1 Group operates exclusively in Germany, it still faces indirect effects from these global developments. In light of the increased cybersecurity threats associated with the wars in the Middle East and Ukraine, the Company is intensifying its investments in cybersecurity measures. These include the implementation of advanced monitoring techniques, regular security audits, and employee training to strengthen defences against cyberattacks.

1&1 also takes into account developments in the economic environment for accounting and reporting purposes in the Consolidated Financial Statements, for example when determining the recoverability of goodwill or the measurement of provisions.

This will not, however, have any direct significant impact on 1&1.

The Management Board and operations managers will continue to closely monitor developments and, if feasible, implement appropriate countermeasures.

Revenue realisation

The single-item sales prices for the hardware are determined on the basis of the so-called adjusted market assessment approach, which requires an assessment of the relevant market prices for the hardware. Changes in these assessments can affect the allocation of the transaction fees to the single performance obligations and consequently also have an impact on the amount and course of the revenue realisation over time.

Moreover, various other assumptions and assessments (e.g., payment default rates) based on past experience and current knowledge at the point in time of the closing date were made as part of the application of the portfolio approach. Changes in these assumptions and assessment may in their totality also have major effects on the amount and the course of the revenue realisation over time. For additional information, see Notes 2.1 and 4.

Costs to fulfil and obtain contracts

The determination of the estimated useful amortisation terms for the costs of the contract are based on values from experience and is subject to major uncertainties, in particular with respect to unforeseen customer or technology development. A change in the estimated amortisation terms affects the recognition of the expenditure over time. The carrying amount of capitalised contract acquisition costs as of 31 December 2025 is €220,516k (31 Dec 2024: €204,966k). The carrying amount of capitalised contract fulfilment costs as of 31 December 2025 is €106,692k (31 Dec 2024: €100,475k). For additional information, Note 21.

Impairment of non-financial assets

The Group reviews the goodwill and other intangible assets with an indeterminate useful life as well as those assets that are currently not yet available for use at least once a year as well as at any time there are indications of a possible impairment. During such a review, the realisable amount of the corresponding cash-generating unit to which the goodwill or the intangible assets are allocated is calculated either as "utilisation value" or as the fair value less selling costs.

Estimating the utilisation value or the fair value less selling costs requires management to estimate the presumable future cash flow of the asset or the cash-generating unit and to select a reasonable discount rate so that the present value of this cash flow can be determined. See Note 27 for further details, including a sensitivity analysis of the major assumptions.

Among the major assumptions made by management regarding the determination of the realisable amount of cash-generating units are assumptions regarding development of revenue, development of margins and the discount interest rate.

The carrying amount of goodwill as of 31 December 2025 is €3,331,204k (31 Dec 2024: €2,932,943k). The carrying amount of intangible assets with indeterminate useful lives is €110,800k (31 Dec 2024: €53,200k). The carrying amount of the spectrum licences acquired in the 2019 financial year was €947,283k (31 Dec 2024: €988,102k). Of this amount, €334,997k (31 Dec 2024: €334,997k) relates to assets that only became usable as from 1 January 2026. For additional information, see Note 27.

Share-based payment

The expenses incurred from the granting of equity instruments to employees are measured in the Group at the fair value of these equity instrument at the time they are granted. A suitable measurement method for the granting of equity instruments must be determined so that the fair value can be estimated; the selection

of the method is dependent on the terms and conditions of the agreements. It is also necessary to determine suitable data for use in this measurement method, including in particular the presumed term of the option, volatility, exercise behaviour, dividend returns and the corresponding assumptions.

During the financial year, expenses from share-based payments (Drillisch Stock Appreciation Rights and Versatel Long Term Incentive Plan) were incurred in the amount of €2,617k (prior year: €2,906k). For additional information, see Note 37.

Taxes

There are uncertainties concerning the interpretation of complex tax law provisions as well as the amount and point in time at which taxable events will occur in future. It is possible that deviations between actual events and the assumptions that have been made or future changes in such assumptions will in future require restatements in the amount of tax income and tax expenses that have been recognised. The Group creates liabilities for the possible effects of tax audits based on reasonable estimates.

The Group must determine whether to assess each uncertain tax treatment separately or together with one or more other uncertain tax treatments. At this time, it chooses the method that is more suitable for predicting the resolution of the uncertainty. The Group makes significant discretionary judgements in identifying uncertainties regarding the income tax treatment.

The amount of such liabilities is based on various factors such as experience from previous tax audits and differences in interpretation of tax regulations by the company required to pay tax and the competent tax authority.

The carrying amount of income tax liabilities as of 31 December 2025 is €6,454k (31 Dec 2024: €6,434k) and relates essentially to current taxes for the 2025 financial year. For additional information, Note 31.

Leases – determining the term of leases with renewal and termination options and estimating the incremental borrowing rate of interest

The Group determines the term of the lease on the basis of the non-cancellable basic term of the lease and including the periods resulting from an option to extend the lease if it is reasonably certain that it will exercise this option or the periods resulting from an option to terminate the lease if it is reasonably certain that it will not exercise this option.

The leases for the business premises at the locations in Montabaur and Karlsruhe contain renewal options. Owing to the strategic importance of these leases for the Group, the terms of the leases were determined by assuming a term until 2033 with the exception of two leases for buildings in Karlsruhe occupied in 2020 that have an assumed term until 2035. Renewal options for the leases for office buildings at the other locations are largely not included in the determination of the term as these assets could be replaced by the Group without incurring significant costs.

The leases for antenna sites for operation of the 1&1 Mobile Network usually have a non-cancellable basic lease term of twenty years. Renewal options are not included in the term because it cannot be assumed with sufficient certainty at the time the lease is concluded that the renewal options will be exercised.

The Group cannot readily determine the interest rate underlying the lease, so 1&1 uses its incremental borrowing rate of interest to measure lease liabilities. The Group estimates the incremental borrowing rate of interest using observable input factors (e.g., market interest rates), if available, and must make certain company-specific estimates (e.g., individual credit rating of the subsidiary). The carrying amount of right-of-use assets for property, plant and equipment as of 31 December 2025 is €1,180,715k (31 Dec 2024: €439,207k). The carrying amount of right-of-use assets for intangible assets as of 31 December 2025 is €0.0k (31 Dec 2024: €1,591k). For additional information, Notes 2.1 and 45.

Trade accounts receivable and contract assets

Trade accounts receivable and contract assets are disclosed in the balance sheet less the valuation allowances that have been taken. Valuation allowances are taken on the basis of expected credit losses pursuant to regular reviews and measurements within the scope of credit monitoring. The assumptions made here about the payment behaviour and the creditworthiness of customers are subject to substantial uncertainties. The carrying amount of trade receivables as of 31 December 2025 is €400,248k (31 Dec 2024: €340,170k). The carrying amount of contract assets as of 31 December 2025 is €797,087k (31 Dec 2024: €808,678k). For additional information, Notes 17 and 18.

Inventories

Inventories are measured at the lower of cost of acquisition or manufacture and net selling value. The net selling value is the estimated income from the sale less the expected required costs up to the point in time of the sale. The valuation is based, among other factors, on discounts applied to excess stock. The amount of the discounts represents the best possible estimate of the net selling value and is consequently subject to estimate uncertainties.

The carrying amounts of inventories as of the reporting date of 31 December 2025 are €93,771k (31 Dec 2024: €119,568k). For additional information, see Note 20.

Plant, property and equipment, and intangible assets

Plant, property and equipment, and intangible assets are measured at cost of acquisition or manufacture at the time of initial recognition. After initial recognition, plant, property and equipment, and intangible assets with a limited useful life are depreciated and amortised by the straight-line method over the presumed economic useful life. The presumed useful life is based on experience and is subject to substantial uncertainties, particularly with respect to unforeseen technological development. Discretionary decisions were made in determining the timing of capitalisation and the start of amortisation for the 5G spectrum.

As of 31 December 2025, the carrying amount of property, plant and equipment (including right-of-use assets) and intangible assets with finite useful lives amounted to €4,817,586k (31 Dec 2024: €2,400,009k; of which spectrum licences accounted for €947,283k, 31 Dec 2024: €988,102k). For additional information, see Notes 25 and 26.

Provisions

A provision is created if the Group has an obligation (legal or factual) arising from a past event, the outflow of resources with economic benefits for fulfilment of the obligation is probable and a reliable estimate of the amount of the obligation is possible. Estimates of this type are vulnerable to significant uncertainty.

The carrying amount of other provisions as of 31 December 2025 is €114,710k (31 Dec 2024: €81,082k). For additional information, Note 32.

4. Sales revenues/Segment reporting

Segment reporting

Pursuant to IFRS 8, the identification of reporting operating segments is based on the so-called management approach. External reports are prepared on the basis of the internal organisational and management structure of the Group and of the internal financial reporting to the superior management position (CODM, Chief Operating Decision Maker). In 1&1 Group, the Management Board of 1&1 AG is responsible for the valuation and management of the segments' business success.

Company management and Group reporting are conducted via the Access, 1&1 Versatel and 1&1 Mobile Network segments.

In the Access segment, revenues are generated from the offered access services to telecommunication networks, one-time provision fees and the sale of devices and accessories. Revenues include monthly service fees, charges for special features and connection and roaming charges. Revenues are realised on the basis of utilisation units actually used and contract fees less any credit notes and restatements pursuant to reduced prices. The revenues from the sale of hardware and accessories and the related expenditures are realised as soon as the products have been delivered and accepted by the customers.

The 1&1 Versatel segment has been included in the consolidated financial statements since the acquisition of 1&1 Versatel GmbH by 1&1 as of 30 November 2025. The 1&1 Versatel segment comprises revenue from various standardized as well as customized telecommunications products for business and wholesale customers. In addition to the provision of traditional fixed-line connections, revenue also includes broadband services, networking solutions as telecommunications infrastructure (e.g., VPN), value-added services, interconnection services, IP services and cloud solutions.

The monitoring of goodwill in the amount of €2,932,943k (31 Dec 2024: €2,932,943k) is the responsibility of the CODM at the level of the "Access" segment. The goodwill in the amount of €398,261k acquired in the course of the change in the scope of consolidation is monitored by the CODM at the level of the 1&1 Versatel reporting segment.

EBITDA in the 1&1 Mobile Network segment in the amount of -€265,302k (prior year: -€265,284k) includes almost exclusively costs related to the construction and operation of 1&1's own mobile network. In the reporting year, intersegment revenue of €467,416k (prior year: €57,661k) were generated in the 1&1 Mobile Network segment. Revenues and intersegment charges between the segments are settled on the basis of market prices. The increase in intersegment revenues results primarily from the ongoing expansion of the 1&1 Mobile Network and from the migration of all mobile customers to the Company's own mobile network, which was completed in the 2025 financial year, and the resulting higher revenues from the recharging of primary services in national roaming.

Management by the 1&1 AG Management Board is based primarily on key performance indicators. The 1&1 AG Management Board measures the success of the "Access" segment primarily in terms of service revenues, of the segment cost of materials, the number of fee-based customer contracts, adjusted earnings before interest, taxes, depreciation and amortisation (comparable operating EBITDA) and Cash CapEx (capital expenditures net of proceeds from disposals), determined on the basis of IFRS accounting methods (IFRS as they are to be applied in the EU). Unadjusted EBITDA for the financial years 2025 and 2024 corresponds to comparable operational EBITDA.

The management of the 1&1 Mobile Network and 1&1 Versatel segments by the Management Board of 1&1 AG is primarily based on segment cost of materials, adjusted earnings before interest, taxes, depreciation and amortisation (comparable operating EBITDA), and Cash CapEx (capital expenditures net of proceeds from disposals), which are determined on the basis of IFRS accounting methods (IFRS as adopted by the EU). Unadjusted EBITDA for the financial years 2025 and 2024 corresponds to comparable operational EBITDA.

Segment material costs include expenses for purchased services and goods, corresponding to the cost of sales according to the comprehensive income statement, minus personnel expenses, depreciation, and plus commissions to third parties.

Inter-segment transactions are charged at market prices.

The Group's segment reporting for financial year 2025 is presented below:

| | Access | 1&1 Mobile Network | 1&1 Versatel | Consolidation | Total |
|---|-------------------|-----------------------|----------------|-----------------|-------------------|
| | €k | €k | €k | €k | €k |
| Service revenues | 3,302,223 | 4,378 | 29,831 | 0 | 3,336,432 |
| Hardware and Other revenues | 786,219 | 2,756 | 10,394 | 0 | 799,369 |
| Intercompany revenues | 29 | 467,416 | 7,968 | -475,412 | 0 |
| Segment revenues | 4,088,471 | 474,550 | 48,192 | -475,412 | 4,135,801 |
| Cost of materials for segment | -2,697,519 | -710,029 | -26,665 | 475,412 | -2,958,801 |
| Gross profit for segment | 1,390,952 | -235,479 | 21,527 | 0 | 1,177,000 |
| | | | | | 0 |
| Segment EBITDA | 786,788 | -265,302 | 16,003 | 0 | 537,490 |
| Customer contracts (in millions) | 16.32 | - | - | - | 16.32 |

The Group's segment reporting for financial year 2024 is presented below*:

| | Access | 1&1 Mobile Network | 1&1 Versatel | Consolidation | Total |
|---|-------------------|-----------------------|--------------|----------------|-------------------|
| | €k | €k | €k | €k | €k |
| Service revenues | 3,301,652 | 1,457 | 0 | 0 | 3,303,110 |
| Hardware and Other revenues | 761,144 | 0 | 0 | 0 | 761,144 |
| Intercompany revenues | 0 | 57,661 | 0 | -57,661 | 0 |
| Segment revenues | 4,062,796 | 59,119 | 0 | -57,661 | 4,064,254 |
| Cost of materials for segment | -2,637,664 | -275,446 | 0 | 57,661 | -2,855,449 |
| Gross profit for segment | 1,425,132 | -216,328 | 0 | 0 | 1,208,804 |
| Segment EBITDA | 856,119 | -265,284 | 0 | 0 | 590,835 |
| Customer contracts (in millions) | 16.39 | - | - | - | 16.39 |

*Due to the restructuring of segment reporting in the reporting year, the prior-year figures for segment revenue and segment cost of materials have been adjusted accordingly to ensure comparability.

All revenues were realised in Germany.

The roll-over of the total of the segment earnings (EBITDA) to the profit before taxes on income is determined as shown below:

| | 2025 | 2024 |
|-------------------------------------|----------------|----------------|
| | €k | €k |
| Total segment profits (EBITDA) | 537,490 | 590,835 |
| Write-offs | -329,324 | -281,453 |
| Operating results | 208,166 | 309,382 |
| Financial results | -30,174 | -4,186 |
| Earnings before income taxes | 177,992 | 305,196 |

The customer structure during the reporting period did not reveal any significant concentration on individual customers. There are no customers in 1&1 Group with whom more than 10 per cent of the total external sales revenues is generated.

Additional information on sales revenues

Group sales revenues break down as shown below:

| | 2025 | 2024 |
|-----------------------------|--------------|--------------|
| | €m | €m |
| Service revenues | 3,336 | 3,303 |
| Hardware and Other revenues | 799 | 761 |
| Total | 4,136 | 4,064 |

The Group discloses valuation allowances on trade receivables and contract assets from contracts with customers in the reporting period. This is reported under impairment losses on receivables and contract assets and amounts to €125,401k (prior year: €121,860k).

Contract balances developed as shown below during financial year 2025:

| | 31/12/2025 | 31/12/2024 |
|--|------------|------------|
| | €k | €k |
| Trade accounts receivable (item 17 of the notes) | 400,248 | 340,170 |
| Contract assets (item 18 of the notes) | 797,087 | 808,678 |
| Contract liabilities (item 30 of the notes) | 82,569 | 64,128 |

In the 2025 financial year, €55,068k (prior year: €51,564k) was recognised as revenue that was included in contract liabilities at the beginning of the financial year.

The total amount of the transaction price for performance obligations not yet fulfilled at the end of the reporting period is €1,793,296k as of 31 December 2025 (prior year: €1,496,901k). Contract renewals were not taken into account here and, in accordance with IFRS 15.121, contract terms of less than one year are not included. The following table shows the time frames indicating when a realisation of the transaction prices from not yet satisfied or partially unsatisfied performance obligations is to be expected:

31 December 2025:

| in €k | | | Total |
|-----------|---------|--------|-----------|
| 2026 | 2027 | >2027 | |
| 1,257,417 | 471,684 | 64,195 | 1,793,296 |

31 December 2024:

| in €k | | | Total |
|-----------|---------|-------|-----------|
| 2025 | 2026 | >2026 | |
| 1,144,073 | 352,828 | 0 | 1,496,901 |

The transaction prices presented relate to unfulfilled or partially unfulfilled performance obligations from contracts with customers, which typically have a minimum contract term of 24 months. The outstanding transaction prices relate to service components with revenue recognition over time and to contracts for which a one-time fee was invoiced and which is now recognised as revenue over the relevant original minimum contract term. Assuming a largely stable customer base, it can be inferred that the average remaining contract term is approximately 12 months.

5. Cost of sales

The cost of sales developed as follows:

| | 2025 | 2024 |
|-------------------------------------|------------------|------------------|
| | €k | €k |
| Expenditures for purchased services | 1,915,132 | 1,781,109 |
| Expenditures for purchased goods | 834,769 | 807,376 |
| Write-offs | 248,851 | 178,879 |
| Personnel expenses | 112,814 | 99,205 |
| Miscellaneous | 89,940 | 155,498 |
| Total | 3,201,506 | 3,022,067 |

Cost of sales rose in relation to the sales revenues in comparison with the prior year to 77.4 per cent (prior year: 74.4 per cent), leading to a reduced gross margin of 22.6 per cent (prior year: 25.6 per cent). The increase in cost of purchased services is primarily attributable to the reclassification of costs related to the expansion of the 1&1 mobile network, which in the prior year had been reported under miscellaneous. In addition, higher costs arose from the change of the national roaming provider from Telefónica to Vodafone.

Cost of sales in the 1&1 Mobile Network segment amounted to €912,406k for the 2025 reporting period (prior year: €418,110k) and related essentially to the costs for the construction and operation of the 1&1 Mobile Network. Cost of sales also includes the cost of primary services from the national roaming agreement with Vodafone, which are recharged to the Access segment. Depreciation and amortisation in the amount of €186,044k (prior year: €128,724k) are also reported within cost of sales. This includes amortisation of mobile frequencies in the amount of €40,819k (prior year: €40,819k). Cost of sales includes inter-segment primary services from the 1&1 Versatel segment in the amount of €7,968k.

Cost of sales for the Access segment amounted to €2,710,430k for the 2025 reporting period (prior year: €2,661,618k). This includes inter-segment primary services from the 1&1 Mobile Network segment in the amount of €467,416k (prior year: €57,661k).

Cost of sales in the 1&1 Versatel segment amounted to €54,083k for the reporting period from 1 to 31 December 2025.

Other costs of sales encompass primarily data centre and logistics costs.

6. Distribution costs

The distribution costs developed as follows:

| | 2025 €k | 2024 €k |
|--------------------|----------------|----------------|
| Marketing expenses | 167,721 | 172,177 |
| Personnel expenses | 128,847 | 125,092 |
| Sales commissions | 118,959 | 111,467 |
| Write-offs | 74,385 | 95,021 |
| Miscellaneous | 31,215 | 31,958 |
| Total | 521,128 | 535,715 |

Other distribution costs comprise essentially customer care and product management. The decrease in amortisation within selling expenses results from the scheduled expiry in August 2025 of the amortisation on the customer base acquired as part of the initial consolidation of Drillisch AG.

7. Administration Costs

The administration costs break down as follows:

| | 2025 €k | 2024 €k |
|---------------------------------|----------------|----------------|
| Purchased work | 31,511 | 31,277 |
| Personnel expenses | 34,334 | 27,836 |
| Expenses for money transactions | 14,912 | 14,719 |
| Receivables management | 10,928 | 10,498 |
| Legal and consulting fees | 14,208 | 7,855 |
| Write-offs | 6,089 | 7,553 |
| Miscellaneous | 11,065 | 12,447 |
| Total | 123,047 | 112,185 |

Other administration expenses relate predominantly to maintenance costs and insurance premiums.

8. Other operating expenses

Other operating expenses break down as follows:

| | 2025 | 2024 |
|------------------------------------|--------------|--------------|
| | €k | €k |
| Expenses relating to other periods | 2,323 | 1,670 |
| Other taxes | 348 | 377 |
| Miscellaneous | 2,116 | 1,153 |
| Total | 4,787 | 3,200 |

9. Other operating income

Other operating income breaks down as follows:

| | 2025 | 2024 |
|--|---------------|---------------|
| | €k | €k |
| Income from dunning charges and return debit notes | 30,517 | 27,207 |
| Damages | 12,179 | 7,871 |
| Income from related parties | 1,998 | 1,995 |
| Income related to other periods | 1,592 | 1,230 |
| Rental income | 196 | 188 |
| Income from foreign currency translation | 153 | 147 |
| Miscellaneous | 1,600 | 1,517 |
| Total | 48,234 | 40,155 |

10. Impairment losses from receivables and contract assets

Impairment losses from receivables and contract assets comprise the following:

| | 2025 | 2024 |
|---------------------------|----------------|----------------|
| | €k | €k |
| Contract assets | 59,713 | 58,452 |
| Trade accounts receivable | 65,688 | 63,408 |
| Total | 125,401 | 121,860 |

For impairment losses, please refer to Note 2.1 "Impairment of financial assets", Note 17 "Trade receivables" and Note 18 "Contract assets".

11. Depreciation, amortisation and impairment

The development of fixed assets, including depreciation and amortisation, is presented in the consolidated statement of changes in fixed assets (Annex to the Notes to the Consolidated Financial Statements).

Depreciation and amortisation on intangible assets and property, plant and equipment (including right-of-use assets from IFRS 16 accounting) are composed as follows:

| | 2025 | 2024 |
|----------------------|----------------|----------------|
| | €k | €k |
| Cost of sales | 248,851 | 178,879 |
| Distribution costs | 74,384 | 95,021 |
| Administration costs | 6,089 | 7,553 |
| Total | 329,324 | 281,453 |

Depreciation and amortisation in cost of sales amounting to €186,044k (prior year: €128,724k) relate to the 1&1 Mobile Network segment, of which €40,819k relates to the amortisation of mobile frequencies.

Depreciation and amortisation also include the amortisation of assets capitalised in connection with business combinations. These are distributed across the capitalised assets as follows:

| | 2025 | 2024 |
|--------------|---------------|---------------|
| | €k | €k |
| Clientele | 58,494 | 86,177 |
| Trademarks | 4,400 | 0 |
| Total | 62,894 | 86,177 |

This includes depreciation and amortisation in the amount of €58,625k (prior year: €57,128k) attributable to assets additionally capitalised as part of the purchase price allocation.

The impairment test for intangible assets with an indefinite useful life was performed at the balance sheet date at the level of the cash-generating units. In the 2025 financial year, brand rights with a carrying amount of €4,400k were written down following the discontinuation of the brand.

Depreciation and amortisation of assets capitalised as part of business combinations are allocated to the individual functional areas as follows:

| | 2025 | 2024 |
|--------------------|---------------|---------------|
| | €k | €k |
| Cost of sales | 4,400 | 0 |
| Distribution costs | 58,494 | 86,177 |
| Total | 62,894 | 86,177 |

12. Personnel expenses

Personnel expenses are allocated to the business divisions as follows:

| | 2025 | 2024 |
|----------------------|----------------|----------------|
| | €k | €k |
| Cost of sales | 112,814 | 99,205 |
| Distribution costs | 128,847 | 125,092 |
| Administration costs | 34,334 | 27,836 |
| Total | 275,995 | 252,133 |

Personnel expenses include expenses for wages and salaries in the amount of €234,361k (prior year: €214,818k) and social security expenses in the amount of €41,634k (prior year: €37,315k). Around €11,827k of total personnel expenses is attributable to 1&1 Versatel (prior year: €0k).

As of the reporting date, 31 December 2025, the headcount amounted to 4,678 employees (31 December 2024: 3,268), of which 1,615 employees related to 1&1 Versatel. The average number of employees calculated in accordance with § 314 HGB amounted to 3,550 in the 2025 financial year (prior year: 3,270). Due to a change in the method used to count employees, the prior-year figures have been adjusted accordingly.

There are contribution-oriented commitments in the Group regarding company pension plans. In the case of the contribution-oriented commitments (defined contribution plans), the Company pays contributions to the government pension insurer pursuant to statutory provisions. There are no further performance obligations for the Company when the contributions have been paid. The ongoing contribution payments are disclosed as expenses in the relevant year. In the 2025 financial year, these amounted to a total of €26,927k (prior year: €16,672k) and primarily relate to contributions made to the statutory pension insurance scheme in Germany.

13. Financing expenses

The financing expenses break down as follows:

| | 2025 | 2024 |
|---|---------------|---------------|
| | €k | €k |
| Interest from leasing liabilities | 26,302 | 14,148 |
| Interest associated companies | 14,062 | 0 |
| Interest from deferral of frequency liabilities | 5,211 | 5,631 |
| Interest expenses from tax audits | 60 | 698 |
| Guarantee commissions | 11 | 10 |
| Miscellaneous | 797 | 159 |
| Total | 46,443 | 20,646 |

The increase in interest expense from lease liabilities is attributable to the continued expansion of the 1&1 mobile network and the growing number of antenna sites. The rise in interest expense due to related parties results in particular from the loan in the amount of €290.0 million taken out formally via United Internet AG in January 2025 from the Japanese development bank JBIC. The interest expense arising from the deferral of spectrum liabilities results from an agreement with the Federal Ministry for Digital and Transport, under which the payment obligation for the mobile spectrum was extended until 2030.

14. Financial income

The financial income breaks down as follows:

| | 2025 | 2024 |
|--|---------------|---------------|
| | €k | €k |
| Interest and similar income associated companies | 15,544 | 15,541 |
| Interest income from tax audits | 19 | 284 |
| Miscellaneous | 706 | 635 |
| Total | 16,269 | 16,460 |

Interest income primarily relates to interest on the investment of surplus liquid funds with United Internet AG.

With regard to interest income from related parties, reference is made to Note 42.

15. Income tax expenses

Tax expenses in the Group break down as follows:

| | 2025 | 2024 |
|--|---------------|---------------|
| | €k | €k |
| Current taxes on income | 40,020 | 99,493 |
| Deferred taxes | -27,732 | -7,061 |
| Disclosed expenses for income taxes | 12,288 | 92,432 |

In accordance with German tax laws, taxes on income comprise corporate income tax and trade tax plus the solidarity surcharge.

Regardless of whether the profit is re-invested or disbursed, the corporate income tax rate in Germany is unchanged at 15 per cent. In addition, a solidarity surcharge of 5.5 per cent is levied on the corporate income tax that has been determined. The German corporate tax rate will be reduced in stages from the current 15 per cent to 10 per cent in 2032, starting from 2028. The rate will decrease by one percentage point annually. Deferred taxes were measured in each case at the tax rate expected to be applicable at the time of the reversal of the temporary differences.

The trade tax rate is dependent on the community where the Company operates. The average trade tax rate in financial year 2025 was about 14.95 per cent (prior year: 14.60 per cent). This led to a change in the Group tax rate to 30.78 per cent (prior year: 30.42 per cent).

Current income taxes include tax expenses relating to prior periods in the amount of €165k (prior year: €450k).

Deferred tax assets from temporary differences are recognised as long as it is probable that a taxable profit against which the deductible temporary differences can be utilised will be available.

No deferred tax liabilities have been recognized on temporary differences of €273,5 million relating to investments in subsidiaries, as the reversal of these temporary differences is not expected to occur in the foreseeable future.

As in the prior year, no deferred taxes were recognised on tax loss carryforwards.

Deferred taxes are determined from the following items:

| | 2025 | | 2024 | |
|--|---------------------------|--------------------------------|---------------------------|--------------------------------|
| | Deferred tax assets €k | Deferred tax liabilities €k | Deferred tax assets €k | Deferred tax liabilities €k |
| Intangible assets | 4,826 | -96,435 | 9,180 | -66,535 |
| Property, plant and equipment | 7,308 | -340,951 | 0 | -138,891 |
| Inventories | 64 | -20 | 62 | -82 |
| Contract assets | 0 | -215,011 | 0 | -217,402 |
| Other assets | 725 | -12,302 | 302 | -3,893 |
| Prepaid expenses | 224,003 | -133,754 | 176,338 | -105,655 |
| Other provisions | 27,228 | -5,145 | 25,163 | -4,736 |
| Contract liabilities | 7,489 | -39 | 8,851 | -8,920 |
| Other liabilities | 307,490 | -19,252 | 125,480 | 0 |
| Gross value | 579,133 | -822,909 | 345,376 | -546,114 |
| Balance sheet item | -579,133 | 579,133 | -345,376 | 345,376 |
| Consolidated balance sheet | 0 | -243,776 | 0 | -200,738 |
| of which change in scope of consolidation | 0 | -70,664 | 0 | 0 |

The net deferred tax liability (passive overhang) as of the reporting date of 31 December 2025 amounts to a total of €243,776k (31 Dec 2024: €200,738k).

The total amount of the change in the deferred tax balance therefore amounts to -€43,038k (prior year: €7,043k). Of this amount, €70,664k is attributable to deferred tax liabilities arising from the change in the

scope of consolidation. The change in the deferred tax balance reported in the statement of comprehensive income therefore amounts to €27,626k (prior year: €7,043k).

The deferred taxes on intangible assets result essentially from the differing treatment of assets capitalised in the course of corporate acquisitions in the Consolidated Financial Statements and in the tax balance sheet.

Deferred tax liabilities on property, plant and equipment result essentially from IFRS 16 accounting. Deferred taxes on other liabilities also result primarily from IFRS 16 Accounting.

Deferred taxes on contract assets, contract liabilities and deferred expenses result primarily from IFRS 15 accounting.

Deferred tax assets on other provisions result essentially from the recognition of provisions for termination fees within the scope of IFRS 15 accounting, as well as from provisions for restoration obligations and litigation risk.

The change in the deferred tax balance reported in the statement of comprehensive income compared with the status as of 31 December 2024 can be reconciled as follows:

| | 2025 | 2024 |
|--|---------------|--------------|
| | €k | €k |
| Deferred tax income/tax expenses | 27,732 | 7,061 |
| Changes recognised through other comprehensive income: | | |
| - Directly through other equity | -106 | -18 |
| Change in the balance of deferred taxes | 27,626 | 7,043 |

The transition from the overall tax rate to the effective tax rate of the ongoing activities is shown in simplified form below:

| | 2025 | 2024 |
|--|---------------|---------------|
| Expected tax rate | 30.8% | 30.4% |
| | €k | €k |
| Profit before income taxes from continued operations | 177,992 | 305,196 |
| - Tax expenses from application of the income tax rate | 54,786 | 92,841 |
| - Change in the tax group | -40,625 | 0 |
| - Tax rate changes | -9,778 | -68 |
| - Actual taxes previous years | -165 | -450 |
| - Balance of other tax-exempt income and non-deductible expenses as well as trade tax additions and deductions | 8,070 | 109 |
| Tax expenses pursuant to comprehensive income statement | 12,288 | 92,432 |
| Effective tax rate | 6.9% | 30.3% |

The expected tax rate corresponds to the tax rate of the parent company, 1&1 AG. The change from the tax group relates to 1&1 Versatel GmbH, which has been included in the tax group of 1&1 AG with its total negative annual result since 1 January 2025.

The changes in tax rates predominantly include the effects from the remeasurement of deferred taxes resulting from the gradual reduction in the German corporate income tax rate from 15 percent to 10 percent for the period from 2028 to 2032.

16. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in banks, short-term investments, cheques and cash on hand. Interest is paid on credit balances in banks at variable interest rates for credit balances that can be terminated daily. As in the prior year, the Group did not receive any interest on the euro-denominated credit balance owing to the interest rate level for short-term investments with credit institutions.

Short-term deposits are made for varying time periods between one day and 3 months, depending on the Group's need for cash.

The development of cash and cash equivalents can be seen in the consolidated cash flow statement.

As in the prior year, there were no restrictions on disposal of bank credit balances in the reporting period.

17. Trade Receivables

As at the reporting date of 31 December 2025, net trade receivables amounted to €400,248k (31 Dec 2024: €340,170k) and are composed as follows:

| | 31/12/2025 | 31/12/2024 |
|---|----------------|----------------|
| | €k | €k |
| Trade accounts receivable, gross | 466,512 | 422,178 |
| Less | | |
| Loss allowances | -66,265 | -82,008 |
| Trade accounts receivable, net | 400,248 | 340,170 |
| of which trade receivables - short-term | 377,480 | 340,170 |
| of which trade receivables - long-term | 22,768 | 0 |

The increase in trade receivables is due to the initial inclusion of 1&1 Versatel. The decrease of the loss allowance is mainly attributable to an increased derecognition of previously impaired receivables.

The development of the valuation allowances account is presented below:

| | 2025 | 2024 |
|---------------------------------------|---------------|---------------|
| | €k | €k |
| Balance at 1 January | 82,008 | 73,758 |
| changes in the scope of consolidation | 1,496 | 0 |
| Utilisation | -82,928 | -55,158 |
| Additions through expenses | 70,749 | 67,835 |
| Reversal | -5,061 | -4,427 |
| As at 31 December | 66,265 | 82,008 |

The additions of valuation allowances through expenses do not include the receivables that were derecognised during the year and before the reporting date.

The maximum default risk on the reporting date corresponds to the net carrying amount of the above-mentioned trade receivables.

As of the reporting date, there are no indications that the payment obligations for the receivables for which no valuation allowances have been created will not be satisfied.

Overdue receivables are reviewed to determine if there is any need for valuation allowances. The determination of the separate valuation allowances is essentially dependent on the age structure of the receivables. Reference is made to Note 43.

Any and all overdue receivables for which separate valuation allowances have not been created are encompassed in a lump-sum valuation allowance based on expected credit losses.

As of 31 December, the age structure of the trade receivables, after consideration of the aforementioned valuation allowances corresponds to the following:

| | 31/12/2025 €k | 31/12/2024 €k |
|--------------------------------|------------------|------------------|
| Trade accounts receivable, net | | |
| 0-5 days | 353,457 | 290,236 |
| 6-15 days | 7,264 | 8,576 |
| 16-30 days | 7,921 | 9,782 |
| 31-180 days | 23,807 | 22,848 |
| 181-365 days | 7,029 | 7,096 |
| > 365 days | 769 | 1,632 |
| Total | 400,248 | 340,170 |

18. Contract Assets

As at the reporting date of 31 December 2025, net contract assets amounted to €797,087k (31 Dec 2024: €808,678k) and are composed as follows:

| | 31/12/2025 €k | 31/12/2024 €k |
|---------------------------------------|------------------|------------------|
| Contract assets, gross | 880,756 | 885,238 |
| Less | | |
| Loss allowances | -83,669 | -76,560 |
| Contract assets, net | 797,087 | 808,678 |
| of which contract assets - short-term | 564,986 | 620,757 |
| of which contract assets - long-term | 232,101 | 187,921 |

The decline in contract assets results from reduced hardware revenue.

The development of the valuation allowances account is presented below:

| | 2025 €k | 2024 €k |
|----------------------------|---------------|---------------|
| Balance at 1 January | 76,560 | 70,457 |
| Additions through expenses | 59,712 | 58,452 |
| Utilisation | -52,603 | -52,349 |
| As at 31 December | 83,669 | 76,560 |

19. Receivables from Related Parties

As at the reporting date, receivables from related parties amounted to €377,086k (prior year: €327,308k) and relate to Group companies of the United Internet Group that are not included in the Group's scope of consolidation. Receivables from related parties mainly relate to receivables from United Internet arising from loss compensation claims in connection with the acquisition of 1&1 Versatel. A corresponding liability of €246 million resulting from this matter is recognized under liabilities to related parties.

With regard to receivables from related parties, reference is also made to Note 42.

20. Inventories

Inventories comprise the following items:

| | 31/12/2025 €k | 31/12/2024 €k |
|-------------------------------------|------------------|------------------|
| Merchandise, gross | | |
| - Mobile services / Mobile internet | 79,217 | 101,043 |
| - Broadband hardware | 8,249 | 12,041 |
| - SIM cards | 9,479 | 9,741 |
| - Miscellaneous | 2,158 | 2,596 |
| | 99,104 | 125,421 |
| Less | | |
| Loss allowances | -5,333 | -5,853 |
| Inventories, net | 93,771 | 119,568 |

The decrease in inventories compared with 31 December 2024 results in particular from optimised warehouse management.

The cost of materials recognised as consumption of inventories within cost of sales in the 2025 financial year amounts to €834,769k (prior year: €807,376k). Of this amount, €2,731k (prior year: €2,241k) relates to write-downs on inventories.

21. Prepaid Expenses

Prepaid expenses break down as follows:

| | Short-term | Long-term | 31/12/2025 Closing balances |
|------------------------------|----------------|----------------|-----------------------------------|
| | €k | €k | €k |
| Costs to obtain contracts | 107,049 | 113,467 | 220,516 |
| Costs to fulfil contracts | 60,158 | 46,534 | 106,692 |
| Advance payments wholesalers | 109,732 | 446,854 | 556,586 |
| Miscellaneous | 79,369 | 90,426 | 169,795 |
| Total | 356,308 | 697,281 | 1,053,589 |

| | Short-term | Long-term | 31/12/2024 Closing balances |
|------------------------------|----------------|----------------|-----------------------------------|
| | €k | €k | €k |
| Costs to obtain contracts | 96,838 | 108,128 | 204,966 |
| Costs to fulfil contracts | 54,949 | 45,526 | 100,475 |
| Advance payments wholesalers | 106,922 | 540,695 | 647,617 |
| Miscellaneous | 62,243 | 68,082 | 130,325 |
| Total | 320,952 | 762,431 | 1,083,383 |

The decrease in deferred expenses is primarily due to the use of FTTH and VDSL quotas under the agreement for the procurement of wholesale broadband services with Deutsche Telekom, for which significant prepayments had been made in prior years.

The prepaid expenses are deferred on the basis of the underlying contractual period and recognised through expenditures in the appropriate period.

| | 2025 | 2024 |
|---|----------------|----------------|
| | €k | €k |
| Wholesale charges recognised through expenditures | 120,596 | 110,249 |
| Amortisation of capitalised costs to obtain contracts | 116,634 | 109,681 |
| Amortisation of capitalised costs to fulfil contracts | 65,495 | 55,835 |
| | 302,725 | 275,765 |

22. Other Current Financial Assets

The other current financial assets break down as follows:

| | 31/12/2025 | 31/12/2024 |
|---|---------------|---------------|
| | €k | €k |
| Receivables for promotion rebates | 34,862 | 34,738 |
| Creditors with debit balances | 2,244 | 3,420 |
| Subsidies for network expansion by the BNetzA | 3,287 | 5,736 |
| Miscellaneous | 10,706 | 4,161 |
| Other financial assets | 51,099 | 48,055 |

The change in receivables from marketing subsidies and debit-balance creditors is primarily related to the subsequent offsetting of reclaimable amounts from suppliers. The miscellaneous receivables mainly comprise receivables from cooperation agreements with other network operators.

23. Other Current Non-Financial Assets

| | 31/12/2025 | 31/12/2024 |
|---------------------------------------|--------------|--------------|
| | €k | €k |
| Value-added tax | 2,792 | 3,108 |
| Refund claims from return of hardware | 6,133 | 5,617 |
| Other non-financial assets | 8,925 | 8,725 |

24. Other Non-current Financial Assets

The composition of the other non-current financial assets can be seen in the following overview:

| | 31/12/2025 | 31/12/2024 |
|-------------------------|--------------|--------------|
| | €k | €k |
| Participating interests | 2,348 | 2,170 |
| Other loans | 537 | 557 |
| Miscellaneous | 4,015 | 0 |
| Total | 6,900 | 2,727 |

The item 'Miscellaneous' mainly comprises advance payments made to the logistics service provider in accordance with the financial model.

25. Property, Plant and Equipment

Property, plant and equipment as at the reporting date 31 December break down as follows:

| | 31/12/2025 | 31/12/2024 |
|---|------------------|------------------|
| | €k | €k |
| Acquisition costs, gross | | |
| Land and buildings | 24,773 | 319 |
| Telecommunications equipment | 1,868,969 | 0 |
| Network infrastructure | 276,576 | 0 |
| Rights of use to land and buildings | 439,366 | 130,052 |
| Rights of use to fixtures, fittings and equipment | 25,515 | 15,196 |
| Rights of use to network infrastructure | 1,370,505 | 360,530 |
| Fixtures, fittings and equipment | 584,411 | 426,210 |
| Payments on account | 396,985 | 162,655 |
| | 4,987,100 | 1,094,962 |
| Less | | |
| Accrued amortisation | -1,765,018 | -132,312 |
| Property, plant and equipment, net | 3,222,082 | 962,650 |

An alternative presentation of the development of property, plant and equipment in financial years 2025 and 2024 is shown in the exhibit to the consolidated notes (consolidated analysis of fixed assets movement).

The change compared with the prior year is essentially due to the initial consolidation of 1&1 Versatel. In total, property, plant and equipment additions amounted to €3,428,214k at cost. Accumulated depreciation on these additions amounted to €1,512,638k as of 30 November 2025. The additions mainly relate to telecommunications equipment amounting to €1,774,281k, network infrastructure amounting to EUR 268,836 thousand, and rights of use to network infrastructure amounting to €794,441k.

As at the reporting date, there are purchase commitments for property, plant and equipment in the amount of €250,521k (31 Dec 2024: €68,078k).

The increase in right-of-use assets to network infrastructure as well as operating and business equipment mainly relate to the rights of use held by 1&1 Versatel and the construction of the 1&1 Mobile Network.

For further information on right-of-use assets relating to land and buildings, operating and office equipment, and network infrastructure, please refer to Note 45.

26. Intangible Assets (excluding goodwill)

Intangible assets excluding goodwill as at 31 December are composed as follows:

| | 31/12/2025 | 31/12/2024 |
|---------------------------------|------------------|------------------|
| | €k | €k |
| Acquisition costs, gross | | |
| Spectrum | 1,070,187 | 1,070,187 |
| Clientele | 914,975 | 776,975 |
| Payments on account | 56,275 | 25,170 |
| Rights similar to concessions | 165,000 | 165,000 |
| Purchased software and licences | 678,454 | 449,259 |
| Trademarks | 118,300 | 56,300 |
| Own produced software | 14,443 | 14,443 |
| Rights of use to licences | 9,282 | 9,282 |
| | 3,026,916 | 2,566,616 |
| Less | | |
| Accrued amortisation | -1,431,412 | -1,129,257 |
| Intangible assets, net | 1,595,504 | 1,437,359 |

An alternative presentation of the development of intangible assets in financial years 2025 and 2024 is shown in the exhibit to the consolidated notes (consolidated analysis of fixed assets movement).

The change compared with the prior year is essentially due to the initial consolidation of 1&1 Versatel. Additions to intangible assets amounted to €336,717k in total. Accumulated amortization relating to these additions totaled €114,789k as of 30 November 2025. The additions mainly relate to customer relationships of EUR 138,000 thousand, acquired software and licenses of €125,909k, and the Versatel brand amounting to €62,000k.

The rights similar to concessions result from a one-off payment in the course of exercising the first extension option of the MBA MVNO agreement to secure immediate access to 5G technology and as a necessary building block for the construction of the Company's own mobile network. The useful life of the concession-like rights ends in June 2025.

The right-of-use assets for licences result from the spectrum transfer agreement concluded with Telefónica in financial year 2020. 1&1 has leased frequencies from Telefónica for the roll-out of its own 1&1 Mobile Network. The agreement relates to two 10 MHz spectrum blocks in the 2.6 GHz band. The two spectrum blocks were available to 1&1 until 31 December 2025.

For further information on rights to use intangible assets, please refer to Note 45.

The acquisition costs of customer relationships in the amount of €914,975k relate to the customer base of €776,975k capitalised in the context of business combinations (31 Dec 2024: €776,975k) and the customer base of 1&1 Versatel in the amount of €138,000k adopted as part of the initial consolidation.

The carrying amounts of intangible assets with an indeterminate useful life (brand rights) amount to €110,800k (31 Dec 2024: € 53,200k), of which €62,000k relate to the Versatel brand. The useful life of the brand rights is classified as indeterminate, as there is no evidence that the future economic benefits will cease.

The impairment test for intangible assets with an indefinite useful life was performed at the reporting date at the level of the cash-generating units. In the 2025 financial year, brand rights with a carrying amount of €4,400k were written down following the discontinuation of the brand.

The following table gives an overview of the brand rights attributed to the CGU Access of 1&1:

| | 31/12/2025 | 31/12/2024 |
|----------------|---------------|---------------|
| | €k | €k |
| WinSim | 9,800 | 9,800 |
| yourfone | 16,600 | 16,600 |
| smartmobil.de | 15,000 | 15,000 |
| simply | 5,200 | 5,200 |
| PremiumSIM | 2,200 | 2,200 |
| DeutschlandSIM | 0 | 4,400 |
| Total | 48,800 | 53,200 |

As at the reporting date, there are purchase commitments for intangible assets in the amount of €96,054k (31 Dec 2024: €19,613k); these relate essentially to obligations for the construction and operation of the 1&1 Mobile Network.

The increase in purchased software and licenses mainly relates to the construction of the 1&1 Mobile Network.

Spectrum

1&1 participated in the 5G spectrum auction concluded on 12 June 2019, successfully bidding for two 2 x 5 MHz spectrum blocks in the 2 GHz band and five 10 MHz spectrum blocks in the 3.6 GHz band. These licences are available for use until 31 December 2040. The spectrum blocks in the 3.6 GHz band have been available since the date of acquisition, while the spectrum blocks in the 2 GHz band have been available since 1 January 2026.

The intangible assets resulting from the acquisition were recognised at their cost of acquisition. As at 31 December 2025, the carrying amounts of the spectrum blocks were composed as follows:

| | 31/12/2025 | 31/12/2024 |
|-----------------|----------------|----------------|
| | €k | €k |
| Frequency block | | |
| 3.6 GHz | 612,286 | 653,105 |
| 2.0 GHz | 334,997 | 334,997 |
| Total | 947,283 | 988,102 |

Amortisation of €40,819k was recognised in the 2025 financial year for the spectrum blocks in the 3.6 GHz band (prior year: €40,819k). Amortisation of the acquired spectrum blocks in the 2 GHz band will only commence at the start of the assigned licence term. The impairment test was performed as at the reporting

date at the level of the cash-generating unit "1&1 Mobile Network". The test did not result in any impairment in the financial year.

Own produced intangible assets

Own produced intangible assets include mainly capitalised development costs for software used for the management of our customers and for more specific address of customers.

27. Goodwill and Impairment of Goodwill and Intangible Assets with Indeterminate Useful Lives as well as Intangible Assets currently not yet available for use (Spectrum)

The goodwill and intangible assets with an indeterminate useful life are subjected to an impairment test at least once a year. The Company has designated the final quarter of the financial year for conduct of the impairment test required annually parallel to the in-company budgetary process.

The goodwill acquired during corporate mergers was allocated to the cash-generating units for the purpose of the impairment test.

Following the conclusion of extensive integration measures in financial year 2018, the two cash-generating units 1&1 Drillisch and 1&1 Telecom were merged into the one cash-generating unit Access (formerly: 1&1). The integration measures and the related interdependencies in the strategic orientation have resulted in the cash-generating unit Access becoming the smallest segment for which management monitors goodwill. The impairment test of the goodwill of Access is carried out at the level of the reporting segment of the same name.

Insofar as the impairment tests result in impairment losses, they are disclosed separately in the profit and loss statement and in the consolidated analysis of fixed assets movement.

The goodwill is with €2,932,943k allocated to the cash-generating unit Access and with €398,261k to the cash-generating unit Versatel. The goodwill of 1&1 Versatel GmbH was transferred to the consolidated financial statements of 1&1 AG at its existing carrying amount as part of the initial consolidation using the predecessor accounting method as of 30 November 2025. The frequency licenses are allocated to the cash-generating unit 1&1 Mobile Network. No further cash-generating units exist.

In financial year 2025 and in the prior year, there were no indications of any impairments after completion of the impairment tests.

Scheduled impairment test as of 31 December 2025

Value-in-use measurements

The realisable amount of the cash-generating unit Access is determined on the basis of the calculation of the utilisation value and application of cash flow forecasts.

As in the prior year, the impairment test for goodwill of the cash-generating unit Access in financial year 2025 did not result in any impairment loss.

The table below presents the underlying assumptions that were used for the impairment test of the cash-generating unit Access and the determination of the utilisation value:

| | Reporting year | Share of goodwill total | Long term growth rate | Discount factor before taxes | Turnover growth rate* |
|--------|----------------|-------------------------|-----------------------|------------------------------|-----------------------|
| Access | 2025 | 88% | 1.0% | 8.4% | 0.6% |
| | 2024 | 100% | 1.0% | 9.3% | 2.1% |

*Detailed planning period until the end of financial year 2030

The cash flow forecasts are based on a Group budget calculation for financial year 2026 and a planning calculation for financial years 2026 to 2030. These planning calculations were extrapolated for the cash-generating unit by management on the basis of external market studies and internal assumptions. Since the expectation for the end of the detailed planning period (2030) is that a sustained revenue and result level will not have been reached, the detailed planning period has been extended by an interim phase for the years from 2031 to and including 2045, at which time a sustained revenue and result level should be reached.

The cash flow forecasts are essentially dependent on the estimates of future sales revenues. The values of the sales revenues over the detailed planning period of the cash-generating unit are based on average annual growth rates of 0.6 per cent (prior year: 2.1 per cent). Another major fundamental assumption for the planning of the cash-generating units is the number of subscribers, the gross profit planning based on this subscriber number, our experience and discounting rates assumed for this purpose. Rising subscriber numbers and a slight decline in gross profits are expected in the coming years.

The utilisation value is determined primarily by the present value of the perpetual annuity, which reacts especially sensitively to changes in the assumptions about long-term growth rates and the discount rate.

Management assumes an annual increase in cash flow of 1.0 per cent (prior year: 1.0 per cent) for the period of the perpetual annuity. This growth rate corresponds to the long-term average growth rate in the industry. The discount rates before taxes used in the financial year for the cash flow forecasts are at 8.4 percent (prior year: 9.3 percent before taxes).

Sensitivity of the applied assumptions

The sensitivity of the applied assumptions concerning an impairment in goodwill is dependent on the fundamental assumptions for the pertinent cash-generating unit.

Within the scope of sensitivity analyses for the Access cash-generating unit, an increase in the discount rate (before tax) of 1.0 percentage point, a decrease in the long-term growth rate in the terminal value of 1.0 percentage point and, alternatively, a decrease in the EBITDA margin of the terminal value of 1.0 percentage point were assumed. No changes in the impairment test would arise from these assumptions.

As in the prior year, the Company management is of the opinion that none of the fundamentally possible changes in one of the basic assumptions used for determination of the utilisation value of a cash-generating unit could, according to reasonable judgement, lead to a carrying amount that is significantly higher than the utilisation value.

Fair value less costs of disposal

The recoverable amount of the Versatel cash-generating unit is determined on the basis of the calculation of fair value less costs of disposal using cash flow projections. For these impairment tests, the fair value less costs of disposal hierarchy under IFRS 13 is classified as Level 3.

The impairment test for the goodwill allocated to the Versatel cash-generating unit did not result in any impairment charge in the 2025 financial year.

The following table presents the key assumptions used in the impairment review of the Versatel cash-generating unit for determining fair value less costs of disposal:

| | Reporting year | Share of goodwill total | Long term growth rate | post-tax discount rate | Turnover growth rate* |
|----------|----------------|-------------------------|-----------------------|------------------------|-----------------------|
| Versatel | 2025 | 12% | 1.0% | 4.8% | 2.6% |

*Detailed planning period until the end of financial year 2035

The cash flow projections are based on the company's budget for the 2026 financial year. These planning figures were extrapolated by management for periods of up to 11 years based on external market studies and internal assumptions for the respective cash-generating units. For the Versatel segment, the detailed planning period of 11 years was extended through extrapolation until 2046. After this period, management assumes a cash flow growth rate of 1.0 percent. The expected growth rate corresponds to the long-term average growth rate of the sector in which the respective cash-generating unit operates.

The post-tax discount rate applied to the cash flow projections in the financial year amounts to 4.8 per cent. The cash flow projections are significantly influenced by the estimation of future revenues. The revenue figures used in the detailed planning period for the Versatel cash-generating unit are based on average annual growth rates of 2.6 percent.

The fair value less costs of disposal is primarily determined by the present value of the terminal value, which is particularly sensitive to changes in the assumptions regarding the long-term growth rate and the discount rate. For determining fair value less costs of disposal, a disposal cost rate of 0.4 percent was applied.

Sensitivity of the applied assumptions

The sensitivity of the key assumptions with regard to a potential impairment of goodwill depends on the underlying assumptions for each cash-generating unit.

As part of the sensitivity analyses for the Versatel cash-generating unit, various changes in key valuation parameters were examined. The analysis assessed the effects of (i) an increase of 0.5 percentage points in the discount rate (post-tax WACC) applied in the terminal period, (ii) a decrease of 1.0 percentage point in the long-term growth rate applied in the terminal period, and (iii) a reduction of 1.0 percentage point in the EBITDA margin applied in the terminal period, on both the carrying amount and the current headroom of €102 million.

While an increase in the terminal-period WACC would result in an impairment charge of €72 million, a reduction in the long-term growth rate by 1.0 percentage point would result in an impairment charge of €217 million. A reduction of the EBITDA margin in the terminal period by 1.0 percentage point would not trigger an impairment; a remaining headroom of €36 million would persist.

Intangible assets (spectrum)

The recognised 5G spectrum resulted from the 5G spectrum auction in 2019. 1&1 successfully bid for two 2 x 5 MHz spectrum blocks in the 2 GHz band and five 10 MHz spectrum blocks in the 3.6 GHz band, with

all licences available for use until 31 December 2040. The spectrum blocks in the 3.6 GHz band have been available for use since the date of acquisition, while the spectrum blocks in the 2 GHz band have been available since 1 January 2026. Since 28 December 2022, the 1&1 Mobile Network has been in operation using the 3.6 GHz frequencies. As the usability of the 2 GHz frequencies has still not been fully established, an impairment test of the 1&1 Mobile Network cash-generating unit was carried out at the level of the reporting segment of the same name in the 2025 financial year.

The realisable amount of the cash-generating unit "1&1 Mobile Network" is determined on the basis of the calculation of the utilisation value and application of cash flow forecasts. For the impairment test, the value in use was determined using cash flow forecasts within the meaning of IAS 36.

The planning underlying the impairment test includes a profit and loss plan as well as an investment plan for the financial years 2026 to 2045. As no sustainable revenue and earnings level is expected to be reached by the end of the detailed planning period (2030), the detailed planning period was extended by an interim phase covering the years 2031 to 2045 until a sustainable revenue and earnings level is expected to be achieved.

The planning is based on the assumption that 1&1 will continue to have sufficient radio spectrum available in the future to operate its own mobile communications network.

The cash flow forecasts depend to a large extent on the estimate of future sales revenues, assumptions about investments in the network infrastructure and the ongoing operating costs of network operations. The main revenue driver for the cash-generating unit "1&1 Mobile Network" is the growth of the subscriber base in the 1&1 network and the planning of future data consumption by customers. The planning calculations were based on the subscriber development in the Access cash-generating unit; the assumptions about the future data consumption of customers are derived from values based on experience. The capital expenditure projections for the network infrastructure are based on specific roll-out plans, which primarily reflect the coverage obligations arising from the spectrum acquisition and the contractually agreed construction costs. The planning for the ongoing costs of grid operation is based on contracts already concluded and assumptions about the development of energy costs based on experience. Another important basic assumption for the planning of the cash-generating unit is the underlying discount rates.

The utilisation value is determined primarily by the present value of the perpetual annuity, which reacts especially sensitively to changes in the assumptions about long-term growth rates and the discount rate. For the period of the terminal value, management assumes an annual increase in cash flows of 1.0 per cent. This growth rate corresponds to the long-term average growth rate in the industry.

The discount rates before taxes used in the financial year for the cash flow forecasts is at 5.1 per cent (prior year: 5.2 per cent before taxes). There was no need for impairment in the financial year. This also qualitatively reflects the expectation of the Management Board due to the high strategic importance.

Sensitivity of the applied assumptions

The sensitivity of the applied assumptions concerning an impairment of the frequencies is dependent on the fundamental assumptions for the pertinent cash-generating unit.

Within the scope of sensitivity analyses for the 1&1 Mobile Network cash-generating unit, various changes to key valuation parameters were examined. In this context, an analysis was performed to determine how an increase in the discount rate (WACC, before tax) of 0.5 percentage point (prior year: increase of 1.0 percentage point), a decrease in the long-term growth rate in the terminal value of 1.0 percentage point, and a decrease in the EBITDA margin of the terminal value of 1.0 percentage point would each affect the carrying amount and the current headroom of €817 million.

An increase in the WACC by 0.5 percentage points would not result in an impairment and a remaining headroom of €82 million would persist (prior year: impairment of €388 million). A reduction in the long-term growth rate by 1.0 percentage point would also not result in an impairment and a headroom of €137 million would remain (prior year: headroom of €436 million). A reduction of the EBITDA margin in the terminal period by 1.0 percentage point would likewise not result in an impairment and a headroom of €687 million would remain (prior year: headroom of €1,096 million).

28. Trade Accounts Payable

Trade payables amount to €545,302k as of the reporting date 31 December 2025 (31 December 2024: €349,454k). The increase in trade payables is mainly attributable to the first-time inclusion of 1&1 Versatel GmbH. Trade payables comprise all liabilities to suppliers arising from purchases of goods and services rendered by third parties.

29. Liabilities due to Related Parties

Current liabilities due to related parties amount to €204,383k as at the reporting date of 31 December 2025 (31 Dec 2024: €163,283k) and relate to Group companies of the United Internet Group that fall outside the Group's scope of consolidation.

The liabilities to related parties include a portion of the purchase price obligation arising from the acquisition of 1&1 Versatel amounting to €246 million. This amount is presented on a net basis within liabilities to related parties together with existing receivables from cash management and other related items. A corresponding item in the same amount is recognised as a receivable from related parties.

Non-current liabilities to related parties amount to €1,940,000k as of 31 December 2025 (31 December 2024: €0k) and relate to loan liabilities owed to United Internet AG.

Reference is made here to Note 42 concerning liabilities due to related parties.

30. Contract liabilities

| | 31/12/2025 | 31/12/2024 |
|-----------------------|---------------|---------------|
| | €k | €k |
| Contract liabilities | 82,569 | 64,128 |
| - of which short-term | 59,588 | 55,068 |
| - of which long-term | 22,981 | 9,060 |
| Total | 82,569 | 64,128 |

31. Income Tax Assets/Income Tax Liabilities

Income tax assets relate primarily to receivables from tax authorities in Germany and amounted to €62,216k as at the reporting date (31 Dec 2024: €54,368k).

As in the prior year, in the amount of €6,454k (31 Dec 2024: €6,434k) relate to liabilities due to tax authorities in Germany.

32. Other Provisions

The development of the provisions is presented below:

| | Dismantling - obligations | Litigation risks | Termination compensation | Miscellaneous | Total |
|---|------------------------------|------------------|-----------------------------|---------------|----------------|
| | €k | €k | €k | €k | €k |
| 01 January 2025 | 30,939 | 12,777 | 28,566 | 8,800 | 81,082 |
| Additions to the scope of consolidation | 7,603 | 1,065 | 0 | 0 | 8,668 |
| Utilisation | 228 | 1,101 | 6,239 | 7,624 | 15,192 |
| Reversal | 411 | 149 | 0 | 0 | 560 |
| Allocation | 19,533 | 14,430 | 4,852 | 800 | 39,615 |
| Effects of compound interest | 1,097 | 0 | 0 | 0 | 1,097 |
| 31 December 2025 | 58,533 | 27,022 | 27,179 | 1,976 | 114,710 |

The provision for decommissioning obligations relates in particular to the antenna sites in the 1&1 Mobile Network as well as possible obligations to decommission active telecommunications technology in leased main distribution frame sites.

Litigation risks comprise various legal disputes in various companies of the Group. The addition arises as a result of recent legal developments in a legal dispute with a wholesale provider in the past financial year.

The provision for termination fees relates to the payments to be made to the network operators in the event of termination.

The remaining provisions essentially comprised the extended expansion obligations imposed by the Federal Network Agency and the warranty provisions. The obligations were fulfilled in the 2025 financial year.

Provisions in the amount of €27,179k (31 Dec 2024: €28,566k) have a term of between one and five years, and provisions in the amount of €58,355k (31 Dec 2024: €30,939k) have a term of over five years.

33. Other Current Financial Liabilities

Other current financial liabilities are composed as follows:

| | 31/12/2025 | 31/12/2024 |
|---|----------------|----------------|
| | €k | €k |
| Other short-term financial liabilities | | |
| Frequency liabilities | 128,265 | 61,266 |
| Obligations pursuant to leases | 117,537 | 20,218 |
| Marketing and distribution costs / distribution commissions | 19,811 | 12,488 |
| Customers with credit balances | 9,167 | 8,290 |
| Legal and professional fees, closing expenses | 5,936 | 3,266 |
| Dismantling obligations | 3,664 | 0 |
| Maintenance and repair costs | 3,493 | 0 |
| Miscellaneous | 3,429 | 3,722 |
| Total | 291,302 | 109,250 |

Reference is made to Note 43 with regard to the frequency liabilities. The increase in lease liabilities is mainly attributable to the expansion of the scope of consolidation. An amount of €90,200k relates to 1&1 Versatel GmbH.

34. Other Current Non-financial Liabilities

Other current non-financial liabilities are composed as follows:

| | 31/12/2025 | 31/12/2024 |
|---|---------------|---------------|
| | €k | €k |
| Other short-term non-financial liabilities | | |
| Value-added tax previous years | 37,156 | 8,309 |
| Liabilities from salaries / personnel | 24,750 | 14,377 |
| Income and church tax due | 10,055 | 2,804 |
| Total | 71,961 | 25,490 |

Since 1 January 2025, 1&1 AG and its subsidiaries no longer belong to the VAT group of United Internet AG but form a separate VAT group with 1&1 AG as the parent company for the companies of the 1&1 Group. VAT liabilities are now reported under other current non-financial liabilities.

35. Other Non-Current Financial Liabilities

Other non-current financial liabilities are composed as follows:

| | 31/12/2025 | 31/12/2024 |
|--|------------------|------------------|
| | €k | €k |
| Other long-term financial liabilities | | |
| Obligations pursuant to leases | 991,854 | 392,741 |
| Frequency liabilities | 513,061 | 641,326 |
| Dismantling obligations | 3,478 | 0 |
| Miscellaneous | 2,990 | 2,177 |
| Total | 1,511,383 | 1,036,244 |

Reference is made to Note 43 with regard to the frequency liabilities. The increase in lease liabilities is mainly attributable to the expansion of the scope of consolidation. An amount of €438,554k relates to 1&1 Versatel GmbH.

36. Maturity Structure of the Liabilities

The maturity structure of the liabilities in financial year 2025 is presented below:

| | Up to 1 year | 1 to 5 years | More than 5 years | Total |
|---|------------------|------------------|-------------------|------------------|
| | €k | €k | €k | €k |
| Trade accounts payable | 543,947 | 0 | 1,355 | 545,302 |
| Liabilities due to associated companies | 204,383 | 1,882,000 | 58,000 | 2,144,383 |
| Contract liabilities | 59,588 | 22,981 | 0 | 82,570 |
| Other financial liabilities | 291,302 | 858,181 | 653,202 | 1,802,685 |
| Other non-financial liabilities | 71,961 | 81 | 0 | 72,042 |
| Other provisions | 29,176 | 34,977 | 50,557 | 114,709 |
| Income tax liabilities | 6,454 | 0 | 0 | 6,454 |
| Total | 1,206,811 | 2,798,220 | 763,113 | 4,768,144 |

The spectrum liabilities, which are disclosed under other financial liabilities, have a term until 2030.

The liabilities in the prior year displayed the following maturity structure:

| | Up to 1 year €k | 1 to 5 years €k | More than 5 years €k | Total €k |
|---|--------------------|--------------------|----------------------------|------------------|
| Trade accounts payable | 349,454 | 0 | 0 | 349,454 |
| Liabilities due to associated companies | 163,283 | 0 | 0 | 163,283 |
| Contract liabilities | 55,068 | 9,060 | 0 | 64,128 |
| Other financial liabilities | 109,250 | 585,961 | 450,283 | 1,145,494 |
| Other non-financial liabilities | 25,490 | 0 | 0 | 25,490 |
| Other provisions | 21,577 | 28,566 | 30,939 | 81,082 |
| Income tax liabilities | 6,434 | 0 | 0 | 6,434 |
| Total | 730,556 | 623,587 | 481,222 | 1,835,365 |

37. Share-Based Payment

In the 2025 reporting year, the 1&1 Group maintained two long-term employee participation programmes. The Stock Appreciation Rights Drillisch programme (SAR Drillisch) was introduced in 2020 and replaces Drillisch's previous SAR programme. In addition, there is the Long Term Incentive Plan Versatel (LTIP Versatel), which was introduced in the first half of 2018. 1&1 Versatel GmbH has been included in the consolidated financial statements since its acquisition by 1&1 AG as of 30 November 2025.

Stock Appreciation Rights Drillisch (SAR Drillisch)

The SAR Drillisch programme is aimed at members of the Management Board, managers, and employees in key positions and is based on virtual share options of 1&1 AG. One SAR Drillisch encompasses the commitment of 1&1 AG (or one of its subsidiaries) to make payments to the beneficiary of the option, the amount of which is calculated as the difference between the exercise price (set at the time of the allocation) and the stock exchange price of one share of 1&1 Drillisch stock when the option is exercised.

The exercise hurdle amounts to 120 percent of the exercise price. The exercise price corresponds to the average of the closing prices in Xetra trading for the Company's share on the Frankfurt Stock Exchange during the last ten trading days prior to the grant date of the option. The payment of the value increase to the beneficiary is capped at 100 percent of the determined market price (exercise price) (CAP). Compared with the prior year, the programme was expanded by five additional grants (second grants) of SARs as well as two new grants of SARs for new participants. As part of the additional (second) grants, the payout amount of the initial grant was offset against the respective second grant for each participant.

One SAR corresponds to a virtual subscription right to one share of 1&1 AG stock, but is not a share right and consequently is not a (genuine) option for the purchase of 1&1 AG stock. Beneficiaries are not entitled to any possible dividend payment from the Company. In principle, fulfilment of the claims by cash settlement is envisaged. However, 1&1 AG reserves the right to fulfil its obligation (or obligation of the subsidiary) to pay out the SAR in cash by transferring instead (at its own discretion) shares of 1&1 AG from its treasury shares to the beneficiaries. Since there is currently no obligation for cash settlement, these commitments are disclosed as agreements with compensation through equity instruments ("equity-settled").

Persons entitled to an option have an exercise window of 10 days to exercise their options. It begins on the third day after the Annual General Meeting or after the publication of the 9-month report.

The blocking period for exercise is two years. The virtual share option may be exercised with respect to a partial amount of up to 25 per cent at the earliest after the expiry of 24 months from the date of issue of the option, with respect to a partial amount of up to 50 per cent in total at the earliest 36 months after the date of issue of the option, with respect to a partial amount of up to 75 per cent in total at the earliest 48 months after the date of issue of the option and with respect to the total amount, 100 per cent, at the earliest after the expiry of 60 months after the date of issue of the option, provided that the beneficiary concerned has not given notice of termination at the end of each year. The SARs have a basic term of 6 years, however, with the consequence that after this period all unexercised SARs lapse without compensation. Beyond that, there are no further conditions to be fulfilled for a successful allocation of the SARs.

Tranches that cannot be exercised in the available exercise window due to the exercise hurdle not being reached can be exercised in the next regular exercise window of the tranche.

The fair value of the options issued at the grant date for existing tranches was calculated using an option pricing model based on the so-called Black-Scholes valuation model in accordance with IFRS 2. For tranches involving the offsetting of existing tranches and for tranches newly issued from 2025 onwards, a Monte Carlo simulation was used consistently to determine the fair value. Within the simulation, the earliest possible exercise was assumed regarding the exercise windows. Additionally, both the cap on the payout per SAR and the respective exercise hurdles per tranche were taken into account. The dividend for the pertinent financial year and the share price of 1&1 AG as of the reporting date was taken into account in the valuation of the SARs in accordance with IFRS 2.B34. The fair value of the allocated options is calculated at the grant date as follows:

Valuation parameters in the financial year

| Issue Date | 15/05/2025 | 01/07/2025 | 01/10/2025 | 31/12/2025 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Number of SARs | 94,800 | 265,300 | 147,800 | 10,100 |
| Initial price | 15.38 € | 18.68 € | 20.15 € | 24.75 € |
| Exercise price | 15.83 € | 15.83 € | 20.31 € | 24.75 € |
| Average market value per option | 1.80 € | 4.88 € | 4.82 € | 6.01 € |
| Dividend return | 0.32 % | 0.27 % | 0.25 % | 0.20 % |
| Volatility of the stock | 31.90 % | 35.04 % | 34.03 % | 35.18 % |
| Expected duration | 2 to 5 years |
| Risk-free interest (2 to 5 years) | 1.82 - 2.26 % | 1.80 - 2.20 % | 1.95 - 2.35 % | 2.01 - 2.53 % |

| Issue Date | 27/09/2024 | 01/08/2023 | 01/01/2025 |
|-----------------------------------|-------------------|-------------------|-------------------|
| Number of SARs | 198,000 | 45,000 | 253,000 |
| Initial price | 12.60 € | 10.24 € | 12.50 € |
| Exercise price | 11.85 € | 10.50 € | 11.85 € |
| Average market value per option | 3.02 € | 2.08 € | 2.76 € |
| Dividend return | 0.40 % | 0.49 % | 0.40 % |
| Volatility of the stock | 31.17 % | 29.65 % | 31.54 % |
| Expected duration | 2 to 5 years | 2 to 5 years | 2 to 5 years |
| Risk-free interest (2 to 5 years) | 1.99 - 2.12 % | 2.51 - 3.29 % | 1.99 - 2.12 % |

| Issue Date | 01/06/2023 | 01/08/2023 | 09/09/2024 |
|-----------------------------------|-------------------|-------------------|-------------------|
| Number of SARs | 21,000 | 1,296,000 | 506,000 |
| Initial price | 10.14 € | 10.24 € | 12.60 € |
| Exercise price | 10.27 € | 10.14 € | 11.85 € |
| Average market value per option | 1.84 € | 2.18 € | 2.86 € |
| Dividend return | 0.49 % | 0.49 % | 0.40 % |
| Volatility of the stock | 29.89 % | 29.65 % | 31.17 % |
| Expected duration | 2 to 5 years | 2 to 5 years | 2 to 5 years |
| Risk-free interest (2 to 5 years) | 2.64 - 2.20 % | 2.51 - 3.29 % | 1.99 - 2.12 % |

| Issue Date | 01/04/2023 | 17/04/2023 | 01/05/2023 |
|-----------------------------------|---------------|--------------|---------------|
| Number of SARs | 288,750 | 270,750 | 75,000 |
| Initial price | 10.27 € | 10.64 € | 10.54 € |
| Exercise price | 10.77 € | 10.14 € | 10.47 € |
| Average market value per option | 1.70 € | 2.44 € | 1.89 € |
| Dividend return | 0.49 % | 0.47 % | 0.47 % |
| Volatility of the stock | 28.83 % | 29.05 % | 28.99 % |
| Expected duration | 2 to 5 years | 2 to 5 years | 2 to 5 years |
| Risk-free interest (2 to 5 years) | 2.62 - 2.31 % | 2.44-2.97 % | 2.63 - 2.28 % |

| Issue Date | 17/04/2020 | 01/06/2020 | 01/06/2020 |
|-----------------------------------|--------------|--------------|--------------|
| Number of SARs | 1,075,100 | 270,000 | 228,400 |
| Initial price | 19.84 € | 22.95 € | 26.30 € |
| Exercise price | 19.07 € | 23.20 € | 26.27 € |
| Average market value per option | 3.64 € | 4.12 € | 4.84 € |
| Dividend return | 0.25 % | 0.22 % | 0.19 % |
| Volatility of the stock | 55.34 % | 53.95 % | 47.68 % |
| Expected duration | 2 to 5 years | 2 to 5 years | 2 to 5 years |
| Risk-free interest (2 to 5 years) | 0.00 % | 0.00 % | 0.00 % |

The exercise price is calculated on the basis of the average stock price of the last 10 days before the allocation date. The volatility used to determine the fair value was determined by a weighted average of the historical volatility for the last 180 (1/3 weighting) or 360 days (2/3 weighting) before the valuation date.

As separate tranches can be exercised prematurely, the terms of between 2 and 5 years were used as a basis for the valuation.

The limited disbursement (CAP) per SAR was mapped by deducting the value of an option valuation at twice the exercise price. The earliest possible exercise was assumed as part of the valuation with regard to the exercise window. As the SARs do not carry dividend rights, a dividend yield based on the dividend for the pertinent financial year and the share price of 1&1 AG as of the reporting date was taken into account in the valuation of the SARs in accordance with IFRS 2.B34.

The following effects resulted from the Drillisch SAR programme as of the reporting date:

| | 2025 €k | 2024 €k |
|--|------------|------------|
| Expected total expense from the employee stock ownership programme | 19,154 | 16,837 |
| Cumulative expenses until the end of the financial year | 13,959 | 11,157 |
| Expenditure expected to be incurred in future years | 5,195 | 5,679 |
| Personnel expenses in the financial year | 2,802 | 2,906 |

The changes in the vested or outstanding virtual share options can be seen in the following table:

| | SAR | Average exercise price (€) |
|---|------------------|----------------------------------|
| Outstanding per 31 December 2023 | 5,472,500 | 14.18 |
| Lapsed/forfeited | -290,750 | 17.33 |
| Newly vested | 695,000 | 11.85 |
| Outstanding per 31 December 2024 | 5,876,750 | 13.75 |
| Lapsed/forfeited | -1,108,000 | 12.80 |
| Exercised | -924,750 | 10.39 |
| Newly vested | 1,201,000 | 14.14 |
| Outstanding per 31 December 2025 | 5,045,000 | 14.67 |

For exercises carried out in 2025, 216,430 shares with a value of €9,998k were transferred to eligible beneficiaries.

Long Term Incentive Plan Versatel (LTIP Versatel)

In the 2018 financial year, an employee participation programme (Long Term Incentive Plan, LTIP) was launched for the 1&1 Versatel division. In the course of the initial consolidation of 1&1 Versatel GmbH, the existing employee participation program was incorporated into the consolidated financial statements of 1&1 AG. The objective of the LTIP programme is to achieve a long-term alignment of the interests of the members of management and other key employees of the 1&1 Versatel Group (1&1 Versatel division) with the interests of the Company in order to increase the equity value of the Company (1&1 Versatel GmbH) and other companies of the 1&1 Versatel Group.

The programme entitles beneficiaries to participate in principle in a specific share of the increase in value of the 1&1 Versatel. Under the LTIP programme, value growth shares are allocated to participating employees in the 1&1 Versatel division.

Awards typically vest on a straight-line basis over a six-year period from the date of issue or until the occurrence of a 'trigger event' as defined in the LTIP terms, subject to the participant's continued employment at the end of each year or until such an event occurs. The LTIP entitlement arises as soon as the full term of the LTIP contract ends (i.e. after 6 years) or an event occurs as defined in accordance with the LTIP programme conditions. Entitlements under the LTIP become exercisable after 6 years or upon a defined trigger event.

The LTIP entitlement is calculated from the difference between the terminal value and an individual initial value (in each case based on the enterprise value at the time under consideration), multiplied by the respective value growth share and a dilution factor.

The expense is recognised for each participant on a straight-line basis over the period until the expiry of the respective LTIP contract, provided there is no trigger event. In the event of an (imminent) trigger event, expense recognition is accelerated to cover the period until the trigger event's (anticipated) occurrence. As no trigger event is currently expected, this variant is not taken into account in the valuation of the entitlements. This assessment is reviewed at each reporting date. Based on current assessments, a total period of 6 years is assumed in each case.

Entitlements under the LTIP programme may be settled in shares or in cash. The Company may satisfy equity-settled awards through the issuance of shares or share options. As there is no present obligation for a cash settlement, the plan is accounted for as equity-settled.

The fair value of the options at the grant date is determined using an option pricing model (Black-Scholes model) in accordance with IFRS 2.

The volatility used to determine the fair value was calculated based on the weighted average of price fluctuations over the last 180 days (weighted at 1/3) and the last 360 days (weighted at 2/3) of the Versatel division's peer group.

The effects of the Versatel Long Term Incentive Plan as at the reporting date are as follows:

| | 2025 €k |
|--|------------|
| Expected total expense from the employee stock ownership programme | 13,031 |
| Cumulative expenses until the end of the financial year | 7,837 |
| Expenditure expected to be incurred in future years | 5,194 |
| Personnel expenses in the financial year | -184 |

Changes in the issued and outstanding virtual share options are shown in the following table:

| | | Average fair value of the appreciation portion per % (€k) |
|---|-------------|---|
| Outstanding per 31 December 2024 | 4.3% | 3,446 |
| Expired/Exercised | 1.1% | 3,045 |
| Outstanding per 31 December 2025 | 3.2% | 3,591 |

38. Share Capital

Share capital amounts to €194.4 million (31 Dec 2024: €194.4 million). The share capital is distributed in 176,764,649 no-par shares issued to the bearer with a proportionate share in the share capital of €1.10 each and represents the share capital of 1&1 AG.

As of 31 December 2025, 1&1 AG holds 248,660 treasury shares (31 Dec 2024: 465,000 shares).

The nominal value of the treasury shares, amounting to €0.3 million, is deducted from the share capital of €194.4 million, resulting in issued share capital of €194.1 million.

Approved Capital 2022

Pursuant to a resolution adopted by the Annual General Meeting on 18 May 2022, the Management Board was authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital by

a total of €97,220,556.40 by single or multiple issue of new no-par shares against cash and/or contributions in kind (Approved Capital 2022) by 17 May 2027.

In the event of cash contributions, the new shares issued by the Management Board may, subject to the consent of the Supervisory Board, also be taken over by one or more banks or other companies fulfilling the prerequisites of Section 186 (5) sentence 1 AktG, subject to the obligation to offer them for subscription solely and exclusively to the shareholders (indirect subscription right). As a matter of principle, a subscription right is to be granted to the shareholders. However, the Management Board is authorised, subject to the consent of the Supervisory Board, to preclude shareholders' subscription rights,

- so that fractional amounts are excluded from the subscription right;
- If the capital increase is achieved by cash contributions and the exercise price of the new shares is not significantly lower than that of the shares already traded on the exchange at the time of the final determination of the exercise price, which should take place as contemporaneously as possible with the placement of the shares. The number of shares issued subject to exclusion of the subscription pursuant to Section 186 (3) sentence 4 AktG may not exceed 10 per cent of the share capital, neither at the point in time at which this authorisation becomes effective nor at the point in time that it is exercised. Any shares that are issued or that are to be issued pursuant to options or convertible bonds must be attributed to this figure to the extent that the bonds are issued during the term of this authorisation in application *mutatis mutandis* of Section 186 (3) sentence 4 AktG in exclusion of subscription rights; moreover, any shares that are issued or sold during the term of this authorisation in direct application or application *mutatis mutandis* of Section 186 (3) sentence 4 AktG must be attributed to this figure;
- To the extent required to ensure that a subscription right can be granted to holders or creditors of option and/or conversion rights or of equivalent option and/or conversion obligations from bonds that have been or are issued by the Company and/or by companies dependent on the Company or in which the Company holds a majority interest, either directly or indirectly, equivalent to the subscription right to which such holders or creditors would be entitled after exercise of their option and/or conversion right or after fulfilment of the option and/or conversion obligation;
- If the capital increase against contributions in kind is carried out for the purpose of issuing shares within the framework of corporate mergers or of acquiring companies or parts of companies, holdings in companies or other assets.

Furthermore, the Management Board is authorised, subject to the consent of the Supervisory Board, to determine the further content of the stock rights and the terms and conditions of the issue of the shares. The Supervisory Board is authorised to amend the current version of the Company by-laws in accordance with the specific utilisation of the Approved Capital 2022 or after the expiration of the authorisation.

Conditional Capital 2022

The share capital is conditionally increased by up to €96,800,000.00 by the issuance of up to 88,000,000 new bearer no-par value shares (Conditional Capital 2022). The conditional capital increase will be implemented only to the extent that the holders or creditors of option bonds and/or convertible bonds, profit participation rights and/or profit participation bonds (or combinations of these instruments) with option and/or conversion rights, or option and/or conversion obligations, or put options of the Company, issued by the Company or by companies dependent on the Company or in its direct or indirect majority ownership on the basis of the authorising resolution of the Extraordinary General Meeting of 18 May 2022 until 17 May 2027, exercise their option or conversion rights under these bonds or fulfil their obligation to exercise options or conversions, or to the extent that the Company exercises an option to grant no-par value shares in the Company in whole or in part instead of paying the cash amount due, provided that in each case no cash settlement is granted and no treasury shares or shares of another listed company are used for servicing. The new shares will be issued in each case at the option or conversion price to be determined in accordance with the authorisation resolution stipulated above. The new shares participate in profits as of the beginning of the financial year in which they are issued; to the extent legally permissible, the Management Board, subject to the Supervisory Board's consent, may also determine the participation in profits for a previously expired financial year for new shares in abrogation of this provision and of Section 60 (2) AktG. The Management Board is authorised, subject to the consent of the Supervisory Board, to determine the details of the conduct of the conditional capital increase.

39. Capital Reserves and Other Equity

The capital reserve as of 31 December 2025 was €2,186,352k (31 Dec 2024: €2,442,220k). The change in the capital reserve results from the initial consolidation of 1&1 Versatel GmbH by way of the predecessor accounting method and from the accounting for the employee participation programmes. The initial consolidation of 1&1 Versatel was carried out as a business combination under common control using the carrying amount method. The difference between the purchase price and the net equity at carrying amounts of the selling company was offset against equity with no effect on profit or loss, resulting in a reduction in the capital reserve of €253,237k. An amount of €2,631k of the change in the capital reserve results from allocations and the exercise of share options during the year under the employee participation programmes.

Other equity in the amount of -€562k (prior year: -€821k) comprises items that will not be subsequently reclassified to profit or loss and results primarily from the application of IFRS 9 regulations regarding the measurement of financial assets. In this case, changes in the fair value of these financial assets are recognised through other comprehensive income in other equity.

40. Treasury Shares

The Management Board of 1&1 AG was authorised by the Annual General Meeting of 18 May 2022 to acquire treasury shares of the Company up to a total of 10 per cent of the share capital existing at the time the resolution was passed or – if this value is lower – at the time the authorisation is exercised, until 17 May 2027. Any shares acquired pursuant to this authorisation, together with any other treasury shares in the Company's possession or attributable to the Company pursuant to Sections 71a et seqq. AktG, may not exceed at any time a value of 10 per cent of the share capital.

The authorisation may be exercised in one full amount or in partial amounts, once or on multiple occasions, in pursuit of one or multiple objectives, directly by the Company or also by companies dependent on the Company or in which the Company, directly or indirectly, holds a majority interest, or by third parties instructed by the Company or by companies dependent on the Company or in which the Company, directly or indirectly, holds a majority interest.

At the option of the Management Board, the shares may be acquired on the stock exchange or on the basis of a public purchase offer or by means of a public invitation to submit offers to sell.

The Management Board is authorised, subject to the Supervisory Board's consent, to sell any Company shares acquired pursuant to this authorisation on the stock exchange or by offer to all shareholders in the ratio of their holdings. Moreover, Company shares acquired pursuant to this authorisation may be used for any and all other legally permissible purposes, including in particular, but not limited to, the following purposes:

- The shares may be sold to third parties against cash payment at a price that does not fall significantly short of the stock exchange price of shares of an equivalent nature at the point in time of the sale. In this case, the number of shares to be sold may not exceed in total 10 per cent of the share capital at the time of the adoption of the resolution by the General Meeting or – if this amount is lower – 10 per cent of the share capital at the time of the sale of the Company's shares. Any shares issued or sold in application, whether direct or *mutatis mutandis*, of Section 186 (3) sentence 4 AktG during the term of this authorisation must be attributed to this limitation of 10 per cent of the share capital. Furthermore, any shares that must be issued to satisfy option and/or convertible bonds must be attributed to this limit of 10 per cent of the share capital, provided that the bonds have been issued during the term of this authorisation in application *mutatis mutandis* of Section 186 (3) sentence 4 AktG and excluding the subscription right.
- The shares may be used for the fulfilment of obligations pursuant to bonds with option and/or conversion right or option and/or conversion obligation issued by the Company or by companies dependent on the Company or in which the Company, directly or indirectly, holds a majority interest.

- The shares may be issued against assets, including claims against the Company, in particular, but not solely, in relation to the acquisition of companies, holdings in companies or parts of companies, or corporate mergers.
- The shares may be used in relation to stock-based remuneration or employee stock option programmes of the Company or of its affiliated companies and may be offered and transferred to persons who are or were in an employment relationship with the Company or one of its affiliated companies as well as to directors and officers of the Company's affiliated companies.
- The shares may be redeemed without requiring any additional General Meeting resolution for the redemption or the execution of the redemption. The Management Board may determine that the share capital will be decreased during the redemption; in this case, the Management Board is authorised to reduce the share capital by the proportionate amount of share capital attributable to the redeemed shares and to adjust the information regarding the number of shares and the share capital in the Company Charter. The Management Board may also determine that the share capital will remain unchanged by the redemption and that instead the share of the other shares in the share capital will be increased by the redemption pursuant to Section 8 (3) AktG. The Management Board is authorised in this case as well to adjust the information regarding the number of shares in the Company by-laws.

The Supervisory Board is authorised to assign treasury shares acquired pursuant to this authorisation to the members of the Company's Management Board in fulfilment of applicable remuneration agreements.

The subscription right of the shareholders is excluded to the extent that treasury shares are utilised in accordance with the authorisations described above. Furthermore, the Management Board, subject to the consent of the Supervisory Board, is authorised, in the event of the sale of acquired treasury shares based on an offer to the shareholders, to grant to the holders or creditors of bonds with option and/or conversion rights or corresponding option and/or conversion obligations issued by the Company, or by companies dependent on the Company or in which the Company, directly or indirectly, holds a majority interest, a subscription right to the shares in the scope to which they would be entitled after exercise of the option or conversion right or fulfilment of the option or conversion obligation; the shareholders' subscription right is precluded in the same scope.

As in the prior year, the repurchase right was not exercised during 2025.

As of 31 December 2025, 1&1 AG held 248,660 treasury shares representing €273,526 (0.14 per cent) of the share capital.

41. Additional Disclosures About the Financial Instruments

The table below presents the carrying amount of each category of financial assets and liabilities as of 31 December 2025:

| | Evaluation category per IFRS 9 | Carrying value as at 31/12/2025 €k | Amortised acquisition costs €k | At fair value through other comprehensive income without recycling to the profit and loss account €k | Valuation according to IFRS 16 €k | Fair Value as at 31/12/2025 €k |
|---|--------------------------------|---------------------------------------|-----------------------------------|---|--------------------------------------|-----------------------------------|
| Financial assets | | | | | | |
| Cash and cashequivalents | ac | 7,698 | 7,698 | | | 7,698 |
| Trade accounts receivable | ac | | | | | 0 |
| - Receivables from finance leases | n/a | 29,038 | | | 29,038 | 26,526 |
| - Miscellaneous | ac | 371,210 | 371,210 | | | 371,210 |
| Receivables due from associated companies | ac | 377,086 | 377,086 | | | 377,086 |
| Other short-term financial assets | ac | 51,099 | 51,099 | | | 51,099 |
| Other long-term financial assets | | | | | | |
| - Participating interests | fvoci | 2,348 | | 2,348 | | 2,348 |
| - Miscellaneous | ac | 4,552 | 4,552 | | | 4,552 |
| Financial liabilities | | | | | | |
| Trade accounts payable | ac | -545,302 | -545,302 | | | -545,302 |
| Liabilities due to associated companies | ac | -2,144,383 | -2,144,383 | | | -2,144,383 |
| Other short-term financial liabilities | ac/n/a | | | | | |
| - Lease obligations | n/a | -117,537 | | | -117,537 | |
| - Miscellaneous | ac/n/a | -173,765 | -173,765 | | | -173,765 |
| Other long-term financial liabilities | ac/n/a | | | | | |
| - Lease obligations | n/a | -991,854 | | | -991,854 | |
| - Frequency liabilities | ac | -513,061 | -513,061 | | | -455,986 |

| | | | | | |
|--|-------|------------|------------|------------|------------|
| - Miscellaneous | ac | -6,468 | -6,468 | | -6,468 |
| of which aggregated per classification categories: | | | | | |
| Financial assets at amortised cost | ac | 811,645 | 811,645 | | 811,645 |
| Financial assets at fair value through other comprehensive income without recycling to profit and loss | fvoci | 2,348 | | 2,348 | 2,348 |
| Financial liabilities at amortised acquisition cost | ac | -3,382,978 | -3,382,978 | | -3,325,903 |
| Receivables from leases | n/a | 29,038 | | 29,038 | 26,526 |
| Lease liabilities | n/a | -1,109,391 | | -1,109,391 | |

The following net results were disclosed for the specific categories of financial instruments pursuant to IFRS 9 in financial year 2025:

| 2025 | Measurement categories according to IFRS 9 | From interest and Dividends | Currency translation | Valuation allowance | Net result |
|---|--|-----------------------------|----------------------|---------------------|----------------|
| | | €k | €k | €k | €k |
| Net result according to measurement categories | | | | | |
| Financial assets calculated at amortised acquisition cost | ac | 16,208 | 74 | -65,688 | -49,406 |
| Financial liabilities measured at amortised cost | ac | -19,750 | 32 | 0 | -19,718 |
| Total | | -3,542 | 106 | -65,688 | -69,124 |

Cash and cash equivalents, trade receivables, accounts due from associated companies and other current financial assets have short remaining terms. Their carrying amounts on the closing date are consequently close to fair value.

Investments are measured at fair value. For the other non-current assets measured at amortised cost, it is assumed that their carrying amount corresponds to their fair value.

For current trade payables, current payables to related parties, and other current financial liabilities, the carrying amounts approximate their respective fair values due to the short remaining maturities.

The fair value of non-current trade payables and non-current payables to related parties also approximates their carrying amounts, as the agreed terms and conditions are in line with market conditions. The measurement is performed in accordance with IFRS 13; there are no material differences between carrying amounts

and fair values, since the contractual terms are at market rates and the effective interest rates correspond to current market yields.

The long-term spectrum liabilities are financial liabilities measured at amortized cost. The fair value is determined using discounted cash flows and classified as a Level 3 measurement. Market-based yields derived from a modelled interest-rate and credit-spread structure are used to determine the discount rate.

For the other non-current liabilities measured at amortised cost, it is assumed that their carrying amount corresponds to their fair value.

The measurement of financial assets measured at fair value is based on appropriate valuation techniques. Insofar as available, stock exchange prices on active markets are used.

The table below presents the carrying amounts and fair values of each category of financial assets and liabilities as of 31 December 2024:

| | Evaluation category per IFRS 9 | Carrying value as at 31/12/2024 €k | Amortised acquisition costs €k | At fair value through other comprehensive income without recycling to the profit and loss account €k | Valuation according to IFRS 16 €k | Fair Value as at 31/12/2024 €k |
|---|--------------------------------|---------------------------------------|-----------------------------------|---|--------------------------------------|-----------------------------------|
| Financial assets | | | | | | |
| Cash and cashequivalents | ac | 4,139 | 4,139 | | | 4,139 |
| Trade accounts receivable | ac | 340,170 | 340,170 | | | 340,170 |
| Receivables due from associated companies | ac | 327,308 | 327,308 | | | 327,308 |
| Other short-term financial assets | ac | 48,055 | 48,055 | | | 48,055 |
| Other long-term financial assets | | | | | | |
| - Participating interests | fvoci | 2,170 | | 2,170 | | 2,170 |
| - Miscellaneous | ac | 557 | 557 | | | 557 |
| Financial liabilities | | | | | | |
| Trade accounts payable | ac | -349,454 | -349,454 | | | -349,454 |
| Liabilities due to associated companies | ac | -163,283 | -163,283 | | | -163,283 |
| Other short-term financial liabilities | ac/n/a | | | | | |
| - Lease obligations | n/a | -20,218 | | | -20,218 | |
| - Miscellaneous | ac/n/a | -89,032 | -89,032 | | | -89,032 |
| Other long-term financial liabilities | ac/n/a | | | | | |
| - Lease obligations | n/a | -392,741 | | | -392,741 | |

| | Evaluation category per IFRS 9 | Carrying value as at 31/12/2024 €k | Amortised acquisition costs €k | At fair value through other comprehensive income without recycling to the profit and loss account €k | Valuation according to IFRS 16 €k | Fair Value as at 31/12/2024 €k |
|--|--------------------------------|---------------------------------------|-----------------------------------|---|--------------------------------------|-----------------------------------|
| - Frequency liabilities | ac | -641,326 | -641,326 | | | -553,735 |
| - Miscellaneous | ac | -2,177 | -2,177 | | | -2,177 |
| of which aggregated per classification categories: | | | | | | |
| Financial assets at amortised cost | ac | 720,229 | 720,229 | | | 720,229 |
| Financial assets at fair value through other comprehensive income without recycling to profit and loss | fvoci | 2,170 | | 2,170 | | 2,170 |
| Financial liabilities at amortised acquisition cost | ac | -1,245,272 | -1,245,272 | | | -1,157,681 |
| Leasing obligations | n/a | -412,959 | | | -412,959 | |

The following net results were disclosed for the specific categories of financial instruments pursuant to IFRS 9 in financial year 2024:

| 2024 | Measurement categories according to IFRS 9 | From interest and Dividends €k | Currency translation €k | Valuation allowance €k | Net result €k |
|---|--|-----------------------------------|----------------------------|---------------------------|------------------|
| Net result according to measurement categories | | | | | |
| Financial assets calculated at amortised acquisition cost | ac | 16,176 | 42 | -63,408 | -47,190 |
| Financial liabilities measured at amortised cost | ac | -5,727 | 18 | 0 | -5,709 |
| Total | | 10,449 | 60 | -63,408 | -52,899 |

Hierarchy of fair values

The Group uses the following hierarchy for the determination and disclosure of fair values of financial instruments in each valuation method:

Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities.

Level 2: Methods during which all input parameters that have significant effect on the recognised fair value are observable, either directly or indirectly.

Level 3: Methods that use input parameters that have significant effect on the recognised fair value and are not based on observable market data.

Assets and liabilities measured at fair value

Non-current financial assets include equity investments in the amount of €2,348k (31 Dec 2024: €2,170k), which were measured at fair value (Level 3).

As in the prior year, there were no transfers between the valuation levels during the reporting period.

42. Related Party Disclosures

Pursuant to IAS 24, persons and companies are regarded as related parties if one of the parties has the possibility to control the other party or to exercise a significant influence. Related parties and related persons of the Group include Management and Supervisory Boards of 1&1 AG and their immediate family members, United Internet AG as the top-level controlling company within the sense of IAS 24.13 and the Group undertakings of United Internet Group that are not included in the consolidation of the Group. Moreover, participations on which the Group companies can exercise significant influence (associated companies and their subsidiaries) are classified as related parties. In addition, companies over which the related parties have a controlling influence are classified as related companies. In addition, Mr Ralph Dommermuth, being the majority shareholder of United Internet AG, is classified as a related party. The Management and Supervisory Boards of United Internet AG and their close family members are also considered related parties.

1&1 had concluded a sponsorship agreement with Borussia Dortmund GmbH & Co. KGaA, where Ms Judith Dommermuth has been a member of the Supervisory Board since 19 November 2020. Ms Judith Dommermuth, being the wife of Mr Ralph Dommermuth, must be classified as a related party. The sponsorship agreement, which was concluded prior to Ms Dommermuth's appointment to the Supervisory Board, obligated 1&1 to annual payments of approximately €20 million. In return, 1&1 was entitled to various advertising measures. The contract ran until mid-2025; consequently, no further financial obligations exist as at the reporting date. In addition to the sponsorship agreement, there was an agreement for the provision of space within the football stadium of Borussia Dortmund GmbH & Co. KGaA for the installation of mobile antennas, which also ran until mid-2025 and has been extended until 30 June 2030. No separate remuneration was agreed for this.

Supervisory Board

Kurt Dobitsch

Entrepreneur, Markt Schwaben

— Chairman —

Seats held on supervisory boards required by law or other supervisory bodies:

- 1&1 Mail & Media Applications SE, Montabaur (Chairman of the Supervisory Board)
- IONOS Group SE, Montabaur
- Nemetschek SE, Munich (Chairman of the Supervisory Board)

- Bechtle AG, Gaildorf
- Singhammer IT Consulting AG, Munich

Norbert Lang

Entrepreneur, Waldbrunn
– Deputy Chairman –

Matthias Baldermann

Strategic Advisor, Dresden

Vlasios Choulidis

Entrepreneur, Gelnhausen

Friedrich Jousen

Independent Advisor, Düsseldorf

Seats held on supervisory boards required by law or other supervisory bodies:

- 1&1 Versatel GmbH, Düsseldorf (Supervisory Board Chairman and Member of the Advisory Board)
- 1&1 Versatel Deutschland GmbH, Düsseldorf – merged into 1&1 Versatel GmbH effective 1 October 2025 (Chairman of the Supervisory Board until 30 September 2025)
- Rheinische Post Mediengruppe GmbH, Düsseldorf (Chairman of the Supervisory Board until 31 August 2025)

Christine Schöneweis

COO Intelligent Enterprise, Solutions (IES), Senior Vice President, SAP SE, Schriesheim

Seats held on supervisory boards required by law or other supervisory bodies:

- Nemetschek SE, Munich
- Phoenix Contact GmbH & Co. KG, Blomberg

Management Board

Ralph Dommermuth

Chairman of the Board, CEO Montabaur

Seats held on supervisory boards required by law or other supervisory bodies:

- 1&1 Versatel GmbH, Düsseldorf (Member of the Advisory Board)
- IONOS Holding SE, Montabaur
- IONOS Group SE, Montabaur (Chairman of the Supervisory Board)
- 1&1 Mail and Media Applications SE, Montabaur
- 1&1 Telecommunication SE, Montabaur

Alessandro Nava

Management Board, COO, Essen

Sascha D'Avis

Management Board, CFO, Stahlfhofen

Remuneration of key management personnel

The current Supervisory Board remuneration also constitutes the total compensation pursuant to Section 314 (1) nos. 6 a and b HGB and comprises fixed annual remuneration and meeting fees; in 2025, this amounted to a total of €364k, of which €29k was variable (prior year: €359k, of which €24k was variable). As the remuneration is not paid out until after the end of the financial year, a provision of €364k (31 Dec 2024: €359k) has been recognised as at the reporting date for these current benefits.

The Supervisory Board member Mr Friedrich Jousen receives separate remuneration for his consultancy activities at 1&1 Versatel, which is independent of his mandate on the Supervisory Board. The fixed annual salary amounts to €600k; he therefore received a fixed salary of €50k for the one-month period in which 1&1 Versatel was included in the Consolidated Financial Statements of 1&1 AG. Mr. Jousen also received shares under the 1&1 Versatel LTIP from 1&1 Versatel prior to the acquisition of 1&1 Versatel as part of his advisory services. The agreement runs until 2029. The criteria for exercising the SARs were not met as of the end of the 2025 financial year.

The Supervisory Board is responsible for determining the remuneration of the Management Board. The remuneration of the members of the Management Board is performance-oriented. It contains a fixed and a variable component (Short Term Incentive ("STI")). A target income is set for the fixed remuneration and the STI, which is reviewed regularly. The fixed remuneration is paid monthly as a salary. The amount of the STI depends on the achievement of certain financial targets fixed at the beginning of the financial year, which are mainly based on revenue and earnings figures. As a rule, a range of 90 per cent to 120 per cent applies to target achievement. If target achievement is below 90 per cent, the payment is cancelled; the STI ends at 120 per cent target achievement. Any retroactive change of performance targets is prohibited. A minimum remuneration is not guaranteed. Payment is made after the adoption of the annual financial statements by the Supervisory Board. The Company has no pension commitments to the members of the Management Board.

The Management Board members receive their remuneration partly in the form of virtual stock options. Reference to Note 37 concerning virtual stock options.

The total remuneration for the Management Board according to IAS 24 is as follows:

| | 31/12/2025 | 31/12/2024 |
|-------------------------------------|--------------|--------------|
| | €k | €k |
| Benefits due in the short term | 1,746 | 1,320 |
| Post-employment benefits | 0 | 0 |
| Other benefits due in the long term | 0 | 0 |
| Termination benefits | 0 | 0 |
| Share-based remuneration | 1,983 | 2,130 |
| Total | 3,729 | 3,450 |

The total remuneration of the Management Board members in accordance with section 314 (1) No. 6 a and b HGB amounted to €3,449k in the 2025 financial year (prior year: €1,320k). The total remuneration includes new grants from the SAR program comprising 147,800 units with a fair value of €712k (previous year: €0k). In addition, grants from the period of service on the Executive Board of Telecommunication SE, totaling 364,000 units with a fair value of €991k, were recognized for the first time. The SAR program has a term of six years. Under the SAR program, share options with a value of €5.296k were exercised.

The CEO of 1&1 AG, Mr Ralph Dommermuth, in consultation with the Supervisory Board, has waived his right to Management Board remuneration.

The following table provides information on the remuneration of the members of the Management Board:

| 2025 | Fix (€k) | Variable (€k) | Ancillary benefits (€k) | Sum of fixed, variable and Ancillary benefits (€k) | Market value of the share- based granted remuneration (€k)* | SAR Expense 2025 (€k) |
|------------------------|--------------|------------------|-------------------------------|--|---|-----------------------------|
| Ralph Dommermuth (CEO) | 0 | 0 | 0 | 0 | 0 | 0 |
| Sascha D'Avis (CFO) | 550 | 192 | 8 | 750 | 2,387 | 935 |
| Alessandro Nava (COO) | 700 | 282 | 14 | 996 | 5,957 | 1,048 |
| Total | 1,250 | 474 | 22 | 1,746 | 8,344 | 1,983 |

| 2024 | Fix (€k) | Variable (€k) | Ancillary benefits (€k) | Sum of fixed, variable and Ancillary benefits (€k) | Market value of the share- based granted remuneration (€k)* | SAR Expense 2024 (€k) |
|------------------------|--------------|------------------|-------------------------------|--|---|-----------------------------|
| Ralph Dommermuth (CEO) | 0 | 0 | 0 | 0 | 0 | 0 |
| Markus Huhn (CFO) | 325 | 138 | 6 | 469 | 3,574 | 799 |
| Alessandro Nava (COO) | 700 | 139 | 12 | 851 | 5,957 | 1,331 |
| Total | 1,025 | 277 | 18 | 1,320 | 9,531 | 2,130 |

*The share-based compensation (so-called Stock Appreciation Rights) represents long-term incentive components and is paid out over a total period of six years. The share options were granted in the years 2020, 2023 and 2025.

For the remuneration of the Management Board, an amount of €474k (31 Dec 2024: €277k) was recognised within provisions as of 31 December 2025.

As of 31 December 2025, the members of the Management Board Mr Alessandro Nava and Mr Sascha D'Avis hold 98,810 and 22,367 shares in 1&1 AG, respectively. These shares were allocated on 26 November 2025 following the exercise of Stock Appreciation Rights (SAR Drillisch).

No advances or loans were granted to the members of the Management Board in the financial year or in the prior year.

The perquisites usually consist of a company car appropriate to the position, the non-cash benefit of which is taxable.

Directors' holdings

As of 31 December 2025, Management Board members held the following shares in 1&1 AG: United Internet AG, Montabaur, held 86.46 per cent of the stock in 1&1 AG per the closing date 31 December 2025. As

of 31 December 2025, Mr Ralph Dommermuth in turn holds indirectly through holding companies 54.37 per cent of the share capital in United Internet AG as reduced by his treasury shares in United Internet AG.

As of 31 December 2025, Management Board members Mr Alessandro Nava and Mr Sascha D’Avis hold 98,810 no-par value shares (0.06 per cent) and 22,367 no-par value shares (0.01 per cent) in 1&1 AG, respectively. These shares were allocated on 26 November 2025 following the exercise of Stock Appreciation Rights (SAR Drillisch).

Supervisory Board member Mr Vlasios Choulidis held 273,333 no-par value shares (of which 65,000 shares were held via MV Beteiligungs GmbH) until 16 July 2025, representing a total of 0.16 per cent of the shares in 1&1 AG. On 16 July 2025, Mr Vlasios Choulidis disposed of these shares to United Internet.

Transactions with related parties

All of the companies included in the Consolidated Financial Statements of United Internet AG that are not included in the consolidation of 1&1 AG Group as well as associated companies of United Internet AG and their subsidiaries, have been identified as related parties of the Group.

Current receivables from related parties break down as follows:

| | 31/12/2025 | 31/12/2024 |
|---|----------------|----------------|
| | €k | €k |
| United Internet AG | 374,120 | 325,861 |
| IONOS Group | 2,766 | 1,243 |
| United Internet Corporate Services GmbH | 99 | 87 |
| Miscellaneous | 101 | 117 |
| Total | 377,086 | 327,308 |

The current receivables essentially relate to receivables of United Internet Management Holding SE, which was acquired as at 30 November 2025, due from United Internet AG under the profit and loss transfer agreement. Furthermore, current receivables result from trade receivables. Of the reported receivables, €374,120k (31 Dec 2024: €325,861k) relate to receivables due from the parent company (United Internet AG).

Receivables from the investment of liquid funds with United Internet AG bear interest at variable rates. The remaining open balances are unsecured, non-interest-bearing and are settled by payment. There are no guarantees for accounts due from related parties. Accounts due from related parties were not value-adjusted

in financial year 2025. A recoverability test is conducted annually. This includes an assessment of the financial position of the associated company as well as of the development of the market on which it operates. All of the receivables are due within one year, just as in the prior year.

Liabilities due to related parties break down as shown below:

| | 31/12/2025 | 31/12/2024 |
|--|------------------|----------------|
| | €k | €k |
| United Internet AG | 2,130,032 | 55,991 |
| United Internet Corporate Services GmbH | 7,597 | 4,350 |
| 1&1 Mail & Media GmbH | 5,047 | 6,993 |
| IONOS Group | 968 | 806 |
| Versatel Group | 0 | 88,766 |
| A1 Marketing, Kommunikation und neue Medien GmbH | 0 | 5,669 |
| Miscellaneous | 739 | 708 |
| Total | 2,144,383 | 163,283 |

Liabilities due to related parties result primarily from loans from related parties and from trade payables. Of the reported liabilities, €2,130,032k (31 Dec 2024: €55,991k) relate to liabilities due to the parent company (United Internet AG). The increase is due in particular to loan liabilities due to United Internet AG in the amount of €1,940.0 million.

The open balances existing at the end of the financial year are unsecured and, with the exception of liabilities owed to United Internet AG, interest-free and are settled by cash payment. There are no guarantees. As at the reporting date, liabilities to associates of United Internet AG amounted to €19.6k (31 Dec 2024: €0k).

The parent company, United Internet AG, has granted to 1&1 AG a credit line with an indefinite term totalling €200 million.

Since December 2025, a shareholder loan of €650.0 million arising from the acquisition of 1&1 Versatel has existed between 1&1 AG and United Internet AG. In addition, 1&1 Versatel GmbH received a loan from United Internet AG amounting to €1,000.0 million, of which €50.0 million was drawn in December 2025. The loan agreements have maturities ranging from one to five years. Interest is variable and based on the 3-month EURIBOR plus a market-standard margin.

In January 2025, 1&1 and United Internet entered into a loan agreement with a maximum volume of €800 million, enabling the downstreaming of external financing obtained by United Internet to 1&1. The credit facility runs until the end of 2031. Interest is variable and based on the 3-month EURIBOR plus a market-standard margin. As of the reporting date, loans amounting to €290 million had been drawn.

With the exception of loan liabilities, all liabilities are due within one year.

The following table presents the total amount of the transactions with related parties:

| Purchases / Services from associated companies / related parties | Sales / Services provided to associated companies/ related parties | Purchases / Services from associated companies / related parties | Sales / Services provided to associated companies/ related parties |
|---|---|---|---|
| 2025 | 2025 | 2024 | 2024 |
| €k | €k | €k | €k |
| 224,046 | 28,059 | 286,619 | 16,433 |

The transactions with related parties concern primarily issues from internal offsets of performances.

Of the expenses reported, €228k (prior year: €157k) relate to the parent company, United Internet AG.

Furthermore, expenses include rental payments for office premises to related parties (both companies and individuals), as well as services received from associates amounting to €75k (prior year: €99k).

In addition to the transactions shown in the table above, there are also transactions with related parties that are strictly cost recharges without a profit mark-up. This includes recharges from related parties of €648.851k (prior year: €953,755k) and recharges to related parties of €5.715k (prior year: €5,070k). These business transactions are carried out primarily to bundle purchasing volumes.

The business premises in Montabaur and Karlsruhe are primarily leased to 1&1 by Mr Ralph Dommermuth and his close family members. The resulting payment obligations are at the usual local level.

The leases for office buildings used by several subsidiaries of the United Internet Group have been set up so that all companies using the buildings are tenants of equal standing in the buildings.

The tenants under the leases act as a joint operation in accordance with IFRS 11 "Joint Arrangements". The leases constitute a lease relationship that authorises the tenants to control the use of the office buildings during the term of the lease. The subsidiaries disclose their shares of the right-of-use assets and lease liabilities as well as the related depreciation and interest in their own accounting.

The carrying amount of the right-of-use asset as of 31 December 2025 was €63,058k (31 Dec 2024: €66,948k), with lease liabilities of €67,205k (31 Dec 2024: €70,329k). Depreciation and amortisation in the 2025 financial year amounted to €7,314k (prior year: €7,046k), while interest expense was €2,535k (prior year: €2,589k). Payment obligations of €9,083k (prior year: €8,695k) were incurred during the reporting period.

The interest expenses and interest income (excluding the interest effects pursuant to IFRS 16 accounting described above) realised with related parties in each financial year are presented in the table below:

| Interest income | Interest expenses | Interest income | Interest expenses |
|------------------------|--------------------------|------------------------|--------------------------|
| 2025 | 2025 | 2024 | 2024 |
| €k | €k | €k | €k |
| 15,544 | -14,062 | 15,541 | 0 |

Interest income concerns above all interest paid on the investment of free cash at United Internet AG. The interest expenses mainly result from the interest on the loans taken out from United Internet AG.

43. Objectives and Methods of Financial Risk Management

Basic principles of risk management

The systematics of the risk management system at 1&1 Group is described in detail in the report on the position of the Company and the Group. The essential features of financial policies are defined by the Management Board and monitored by the Supervisory Board. Certain transactions are subject to the prior consent of the Supervisory Board.

The primary financial liabilities used by the Group encompass liabilities due to related parties, trade accounts payable and other financial liabilities. The Group holds various financial assets that result directly from its operating activities. These essentially comprise trade receivables and current receivables from related parties. As at the reporting date, the Group has at its disposal exclusively original financial instruments.

The goal of the financial risk management is to limit these risks through ongoing operating and finance-oriented activities. The Group is vulnerable in particular to liquidity risks and market risks related to its assets, liabilities and planned transactions; these risks are presented below.

Liquidity risk

The liquidity risk represents the risk that a company will have difficulties fulfilling its payment obligations arising from its financial liabilities. For 1&1, the liquidity risk, unchanged from the prior year, is the fundamental possibility that the companies will be unable to meet their ongoing financial obligations in good time. Particularly in view of the cost-intensive expansion of the mobile network over the next few years, a longer-term financial plan as well as a short-term liquidity forecast will be drawn up so that the solvency

and financial flexibility of 1&1 Group at all times is ensured. We expect to fund the majority of the investments in the mobile network from future operating cash flows. Additionally, 1&1 has access to a credit line of €200 million via the cash management agreement with United Internet AG. At the beginning of 2025, 1&1 – via its parent company United Internet AG – entered into a promotional loan with the Japanese bank JBIC with a limit of up to €800 million. As of 31 December 2025, €510 million remains available to 1&1 under this facility.

The Group has established standardised processes and systems for the management of its bank accounts and the internal clearing accounts and for the execution of automated payment transactions. In addition to the operating liquidity, the Group maintains additional liquidity reserves that are available on short notice.

There is no significant concentration of liquidity risks in the Group.

The table below shows the maturity structure of the liabilities pursuant to the agreements concluded between the Group and outside third parties or related parties as of 31 December 2025 and 31 December 2024. The repayment plus the contractually determined minimum interest payment are shown in the specific year columns within the table.

Cash outflow for repayment and interest in financial year 2025

| | Carrying amount | | | | | | Total €k |
|---|------------------|------------|------------|------------|------------|--------------|-------------|
| | 31/12/2025 €k | 2026 €k | 2027 €k | 2028 €k | 2029 €k | > 2029 €k | |
| Trade accounts payable | 545,302 | 543,947 | 0 | 0 | 0 | 1,355 | 545,302 |
| Liabilities due to associated companies | 2,144,383 | 204,383 | 68,689 | 68,689 | 68,689 | 2,008,689 | 2,419,139 |
| Lease liabilities | 1,109,391 | 117,537 | 132,174 | 115,220 | 104,523 | 895,436 | 1,364,890 |
| Other financial liabilities | 693,295 | 173,765 | 128,265 | 128,265 | 128,265 | 130,182 | 688,742 |

The payments from other financial liabilities essentially comprise the payments for the spectrum. On 5 September 2019, 1&1 concluded an agreement with the Federal Ministry of Transport and Digital Infrastructure (BMVI) and the Federal Ministry of Finance (BMF) regarding the construction of mobile communications sites in so-called "white spots". By taking this action, 1&1 will help to close existing coverage gaps and by building antenna sites will contribute to the improvement of mobile communications coverage in rural regions. 1&1 fully settled this obligation in the 2025 financial year. In return, the Group will benefit from the agreement of instalment payments for the costs of the acquired 5G frequencies. This means that the licence costs originally due and payable in 2019 and 2024 can now be transferred to the federal government in instalments until 2030. Payment obligations to the federal government do not follow a linear pattern and will increase from €61 million in financial year 2026 to €128 million.

Cash outflow for repayment and interest in financial year 2024

| | Carrying amount | | | | | | Total €k |
|---|------------------|------------|------------|------------|------------|--------------|-------------|
| | 31/12/2024 €k | 2025 €k | 2026 €k | 2027 €k | 2028 €k | > 2028 €k | |
| Trade accounts payable | 349,454 | 349,454 | 0 | 0 | 0 | 0 | 349,454 |
| Liabilities due to associated companies | 163,283 | 163,283 | 0 | 0 | 0 | 0 | 163,283 |
| Lease liabilities | 412,959 | 20,218 | 34,290 | 34,522 | 34,856 | 478,773 | 602,659 |
| Other financial liabilities | 732,535 | 89,032 | 142,450 | 128,265 | 128,265 | 319,973 | 807,985 |

Market risk

The market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate owing to changes in market prices. There are three types of risk in the market risk: interest risk, currency risk and other risks such as the stock price risk. The financial instruments vulnerable to market risk include (among others) interest-bearing loans, deposits, financial assets available for sale and derivative financial instruments.

There are no significant currency risks or other price risks within the Group.

Interest risk

The interest risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate owing to changes in market interest rates.

The Group is fundamentally vulnerable to risks from changes in interest rates. The variable interest rates are based on the EURIBOR. Please refer to the remarks under Note 42. See "Related Party Disclosures".

The Group does not expect any significant change in the risk surcharges in the foreseeable future.

1 & 1 is not vulnerable to any significant interest rate risks from other circumstances. There are no bank loans and overdrafts.

Risk of default

Trade receivables

Risk of default is the risk that a business partner will not fulfil its obligations related to a financial instrument or customer (framework) agreement and that this leads to a financial loss. The Group is vulnerable to risks of defaults both in its operating business activities (especially trade receivables) and in its investments, including from deposits in banks and financial institutes.

Consequently, an extensive fraud management system that includes a preventive element has been established and is constantly being developed further. Moreover, outstanding payments are continuously monitored on a division basis, i.e. locally. Risks of default are given due consideration by means of valuation allowances and lump-sum valuation allowances. They are calculated using expectations, which are essentially based on actual historical data.

A pre-contract fraud check is conducted in the 1&1 mass customer business and the receivables management is handled by engaging the services of collection agencies. The valuation allowances for overdue receivables are determined essentially in dependency on the age structure of the receivables with differing measurement discounts that are basically derived from the success quota of the collection agencies engaged to collect overdue receivables. Receivables that are overdue by more than 365 days are restated at a valuation allowance of 97.5 per cent to 100 per cent.

Regarding the trade receivables, the maximum credit risk consists of the gross amount of the receivable shown in the balance sheet before valuation allowances and after netting to the extent there is a counterbalancing situation. Reference is made to the information under Note 17 regarding overdue, unimpaired trade receivables.

Accounts due from and loans to related parties

The accounts due from and loans to related parties are continually monitored by management. The financial position of the associated company and the development of the market on which it operates are subject to ongoing assessment by 1&1's management. There are currently no indications that existing receivables may not be recoverable.

Capital management

1&1 AG is not subject to any obligations in the Company charter or from contractual obligations to maintain capital beyond the regulations of securities law. In the 2025 financial year, 1&1 drew down loans totalling €1,940.0 million under the promotional loan concluded via United Internet AG and in connection with the acquisition of 1&1 Versatel GmbH. In the coming years, significant investments will be made as part of the transformation to a mobile network operator. Our financial strategy is to fund these through operating cash flows as far as possible while simultaneously reducing our leverage. Accordingly, 1&1 AG plans to retain future profits as far as possible until the end of the investment phase or until the loans have been repaid, and intends to propose only the minimum dividend for distribution. This will contribute towards the goal of increasing the value of the Company in the long term.

The Company may undertake adjustments to the dividend payments to the shareholders or a capital repayment to shareholders, acquire own stock and release it again as needed or issue new shares for the purpose of maintaining or adjusting the capital structure. Reference is made on this subject to the consolidated change in equity statement.

44. Contingencies and other Obligations

Contingent liabilities

Contingent liabilities represent a possible obligation that may arise because of the occurrence of one or more uncertain future events or a current liability for which payment will likely not be required or for which the amount of the obligation cannot be estimated with adequate certainty.

Consistent with the prior year, wholesale providers have filed claims in the low three-digit million range (under internal classification, amounts up to €333 million are defined as a "low three-digit million amount"; the total claims filed do not exceed this threshold). 1&1 AG regards the claims from each of the opposing parties to be unfounded and does not consider an outflow of resources for these contingent debts to be likely.

Legal disputes

The litigation consists primarily of various legal disputes involving the Group. Provisions for litigation risks have been created for contingent obligations arising from these disputes (see Note 32).

Guarantees

The Group had not issued any guarantees as at the reporting date.

45. Disclosures of Lease Obligations, Other Financial Obligations and Contingent Liabilities

Obligations from leases (1&1 as lessee)

The effects on the profit and loss statement from January to December 2025 are presented below:

| | 2025 €k | 2024 €k |
|--|---------------|---------------|
| Write-offs on rights of use | | |
| - Network infrastructure | 39,815 | 12,210 |
| - Land and buildings | 14,499 | 9,671 |
| - Fixtures, fittings and equipment | 2,905 | 2,343 |
| - Licences | 1,591 | 1,591 |
| Total write-offs on rights of use | 58,811 | 25,815 |
| Interest expenses from leases | 26,302 | 14,148 |
| Expenses for short-term leasing liabilities | 917 | 852 |
| Expenses for leases for a low-value asset | 145 | 0 |

Cash outflows related to lease liabilities amounted to €29,878k during the reporting period (prior year: €14,138k).

The right-of-use assets for licences result from the spectrum transfer agreement concluded with Telefónica in financial year 2020. 1&1 has leased frequencies from Telefónica for the roll-out of its own 1&1 Mobile Network. The agreement relates to two 10 MHz spectrum blocks in the 2.6 GHz band. The two spectrum blocks will be available to 1&1 until 31 December 2025.

The following carrying amounts of the right-of-use assets according to the classes of the underlying assets resulted as of 31 December 2025:

| | Carrying amount at 31/12/2025 €k | Carrying amount at 31/12/2024 €k |
|----------------------------------|---|---|
| Network infrastructure | 901,179 | 346,405 |
| Land and buildings | 266,981 | 87,441 |
| Fixtures, fittings and equipment | 12,555 | 5,361 |
| Licences | 0 | 1,591 |

The additions to the right-of-use assets for financial year 2025 are as follows:

| | Additions according to IFRS 16 €k |
|----------------------------------|---|
| Network infrastructure | 233,261 |
| Land and buildings | 32,252 |
| Fixtures, fittings and equipment | 8,357 |
| Licences | 0 |

Leasing obligations existing as of 31 December 2025 will result in outgoing payments in the following years:

| | 31/12/2025 €k | 31/12/2024 €k |
|-------------------|------------------|------------------|
| Up to 1 year | 117,537 | 20,218 |
| 1 to 5 years | 341,320 | 72,900 |
| More than 5 years | 650,534 | 319,841 |
| Total | 1,109,391 | 412,959 |

The extension options not included in the valuation according to IFRS 16 will result in future payment obligations of €634 million (31 Dec 2024: €492 million) if they are exercised. These are essentially payment obligations for the network infrastructure.

1&1 as lessor

Finance lease arrangements

Since 30 November 2025, 1&1 AG has acted as a lessor in finance lease arrangements through 1&1 Versatel. Finance lease receivables are reported under trade receivables. Gross investment in leases is reconciled to the present value of the minimum lease payments receivable, together with a maturity analysis, as follows:

| €k | 31/12/2025 €k |
|--|------------------|
| Gross Investment | |
| (of which non-guaranteed residual values) | |
| of which due within 1 year | 5,719 |
| of which due in 1-5 years | 14,143 |
| of which due after more than 5 years | 10,158 |
| Financial income not yet realized | -1,827 |
| Net investments | 28,193 |
| Accumulated impairment losses | 0 |
| Receivables from sales tax and other | 846 |
| Carrying amount of receivables from finance leases | 29,039 |
| of which present value of non-guaranteed residual values | 0 |
| Present value of outstanding minimum lease payments | 28,193 |
| of which due within 1 year | 5,644 |
| of which due in 1-5 years | 13,499 |
| of which due after more than 5 years | 9,050 |

The finance lease receivables are based exclusively on contracts for the use and provision of dark fibre lines. In the 2025 financial year, no new finance lease contracts for the provision of fiber pairs were entered into (prior year: €0 million). The lease terms range between 15 and 29 years.

Operating lease arrangements

1&1 Versatel acts as a lessor in operating lease arrangements. The underlying contracts primarily relate to the leasing of fibre pairs. These contracts do not contain residual value guarantees or variable lease payments. Due to the strategic importance of the leased fibre pairs for the respective lessees, the residual value risk is assessed as low.

Total income from operating leases amounted to €3,153k in the 2025 financial year, all of which relates to fixed lease payments.

The maturity analysis of lease payments from operating leases is shown in the following table:

| | 31/12/2025 |
|-------------------|---------------|
| Maturities in €k | €k |
| Up to 1 year | 21,304 |
| 1 to 2 years | 20,006 |
| 2 to 3 years | 17,618 |
| 3 to 4 years | 7,070 |
| 4 to 5 years | 4,803 |
| More than 5 years | 13,179 |
| Total | 83,980 |

Cash receipts from leasing arrangements as a lessor are reported within cash flow from operating activities.

Other financial obligations

There were the following future payment obligations as of 31 December 2025:

| | 31/12/2025 | 31/12/2024 |
|---------------------------------|------------|------------|
| | €k | €k |
| Other miscellaneous obligations | 1,003,451 | 1,157,109 |

The Group exercises the exemption provided in the standard IFRS 16 for leases with a term that expires within 12 months from the point in time of the initial application and the exemption for leases for which the underlying asset is of low value.

Lease obligations not recognised in the balance sheet due to practical expedients amounted to €1.062k as of 31 December 2025 (31 Dec 2024: €852k).

Since summer 2024, 1&1 has been using national roaming from Vodafone as planned and is gradually reducing the wholesale services received from Telefónica Deutschland. Starting in 2026, all national roaming services will be provided by Vodafone.

The national roaming contract with Vodafone includes a minimum remuneration of €50 million per contract year over the basic term of 5 years. This means that as of 31 December 2025, until the end of the initial contract term, there will be a total minimum remuneration of €175 million. 1&1 is entitled to extend the national roaming contract twice for another 5 years after the basic term.

Capital expenditure for which there are contractual obligations in subsequent years as at the reporting date amounts to €346,575k (31 Dec 2024: €87,691k). These obligations primarily relate to investments in technical equipment for the expansion and operation of the 1&1 Mobile Network and consist of property, plant and equipment (PP&E) in the amount of €250,521k (31 Dec 2024: €68,078k) and intangible assets in the amount of €96,054k (31 Dec 2024: €19,613k). Cash outflows are essentially expected in financial year 2026.

In the 2025 financial year, there are other financial obligations from trade relations amounting to approximately €656,288k (31 Dec 2024: €1,058,746k) in connection with the expansion and operation of the company's own 1&1 Mobile Network. In the prior year, approximately €321,495k related to obligations to 1&1 Versatel GmbH, which were eliminated in the 2025 financial year following full consolidation. Trade payables of approximately €575,000k (31 Dec 2024: €635,337k) relate to national roaming services provided by Vodafone.

In addition, around €3,264k (prior year: €62,657k) relates to obligations under a long-term agreement between 1&1 and Orange for the provision of international roaming services for the 1&1 Mobile Network. The year-on-year decrease in this obligation resulted from a renegotiation of terms concluded in 2025.

In addition, other financial obligations under a sponsorship agreement expired in June 2025 (prior year: €9,820k). This sponsorship agreement was not renewed.

On 5 September 2019, 1&1 concluded an agreement with the Federal Ministry of Transport and Digital Infrastructure (BMVI) and the Federal Ministry of Finance (BMF) regarding the construction of mobile communications sites in so-called "white spots". Accordingly, 1&1 was committed to a total investment of €50 million. This obligation was fully settled in the 2025 financial year, and no further liabilities remain.

In addition, a purchase contract results in purchase obligations until 30 September 2027, amounting to €160,215k in the short term and €378,690k in the long term.

46. Consolidated Cash Flow Statement

Cash flow from investing activities for the 2025 financial year includes interest receipts of €13,984k (prior year: €19,053k), primarily arising from interest on cash deposits with United Internet AG.

Interest payments paid totalling €41,937k (prior year: €45,458k) are shown under cash flow from financing activities and comprise interest-like payments of €5,830k in connection with the acquisition of 5G spectrum. 1&1 has reached an agreement with the Federal Ministry for Digital and Transport (BMDV) and the Federal Ministry of Finance (BMF) to pay the costs of the acquired 5G spectrum in twelve annual instalments. In return for the deferral, 1&1 has committed to building hundreds of mobile sites in so-called "white spots," giving the investment costs a character similar to interest.

Tax payments for the 2025 financial year amounting to €82,232k (prior year: €217,030k) primarily relate to current corporation tax (including the solidarity surcharge) and current trade tax. Receipts from income taxes amounted to €34,408k (prior year: €17,666k). Tax receipts and payments are presented within cash flow from operating activities.

The initial recognition of the 5G spectrum in financial year 2019 year took into account the deferral and instalment payments with the federal government as a balance sheet extension and were therefore non-cash. The instalment payment of €61,266k (prior year: €61,266k) due in financial year 2025 was reported in cash flow from financing activities.

As a matter of principle, leases are disclosed with no effect on cash upon initial recognition. Current payments include interest and amortisation components and are reported under cash flow from financing activities.

Outgoing payments relating to dividend disbursements amount to €8.8 million, as in the prior year, and are reported in cash flow from financing activities.

Regarding the change in receivables from / liabilities to related parties, payments from the short-term investment of liquid funds amounting to €399.5 million (prior year: repayments of €91 million) are included in cash flow from investing activities. In the 2025 financial year, the draw-down of loans from related parties resulted in cash inflows of €340.0 million (prior year: €0 million), which are included in cash flow from financing activities. Regarding the change in other financial liabilities, cash flow from financing activities includes payments of €133 million (prior year: €121 million). Consistent with the prior year, these primarily relate to payments for 5G spectrum liabilities in the 2025 reporting period.

The composition of the cash corresponds to the item "Cash and cash equivalents" in the balance sheet.

The change in liabilities from financing activities for financial years 2024 and 2025 is shown below:

| | Cash-effective changes | | | | Non-cash changes | | | 31/12/2024 €k |
|--|------------------------|-----------------|---------------------------|---------------------------------------|---------------------------------------|--|---------------------------|------------------|
| | 01/01/2024 €k | Repayment €k | Interest / other €k | Incurrence of liabilities €k | Incurrence of liabilities €k | Assumption of liabilities- Versatel €k | Interest expense €k | |
| Frequency liabilities | 763,857 | -61,266 | 0 | 0 | 0 | 0 | 0 | 702,591 |
| Lease liabilities | 188,507 | -14,138 | -14,148 | 0 | 238,590 | 0 | 14,148 | 412,959 |
| Liabilities expansion white spots | 5,269 | 0 | -31,310 | 0 | 20,410 | 0 | 5,631 | 0 |
| Total liabilities from financing activities | 957,633 | -75,404 | -45,458 | 0 | 259,000 | 0 | 19,779 | 1,115,550 |

| | Cash-effective changes | | | | Non-cash changes | | | 31/12/2025 €k |
|--|------------------------|-----------------|---------------------------|---------------------------------------|---------------------------------------|--|---------------------------|------------------|
| | 01/01/2025 €k | Repayment €k | Interest / other €k | Incurrence of liabilities €k | Incurrence of liabilities €k | Assumption of liabilities- Versatel €k | Interest expense €k | |
| Frequency liabilities | 702,591 | -61,266 | | 0 | 0 | 0 | 0 | 641,325 |
| Loans from related companies | 0 | | -9,804 | 340,000 | 0 | 950,000 | 14,026 | 1,294,222 |
| Lease liabilities | 412,959 | -29,878 | -26,302 | 0 | 221,107 | 505,203 | 26,302 | 1,109,391 |
| Liabilities expansion white spots | 0 | 0 | -5,830 | | | 0 | 5,211 | -619 |
| Total liabilities from financing activities | 1,115,550 | -91,144 | -41,936 | 340,000 | 221,107 | 1,455,203 | 45,540 | 3,044,319 |

47. Auditor's Fees

In the 2025 financial year, fees of €1,870k were recognized in the consolidated financial statements for the auditor. Of this amount, €327k was recognized in profit or loss in the separate financial statements of 1&1 Versatel GmbH prior to the acquisition date on a pro rata basis. The fees relate to €1,800k for audit services and €70k for other assurance services. The other assurance services consist exclusively of business audits in connection with filings with the Central Office for Private Copying Rights and filings in accordance with the German Packaging Act.

48. Profit per Share

The undiluted profit per share is calculated in accordance with IAS 33.9 et seqq. by dividing the consolidated profit by the weighted average of the number of ordinary shares outstanding.

The diluted profit per share is calculated in accordance with IAS 33.30 et seqq. by dividing the consolidated results, adjusted for the after-tax effects of any interest recognised in the period related to potential ordinary shares, by the weighted average number of shares outstanding plus the weighted number of shares which would be issued on the conversion of all dilutive potential shares into ordinary shares.

| Undiluted consolidated earnings per share | 2025 | 2024 |
|---|-------------|-------------|
| Consolidated earnings in €k | 165,704 | 212,764 |
| Ordinary shares (number) | 176,764,649 | 176,764,649 |
| Own shares (number) | -248,660 | -465,000 |
| Weighted average less treasury shares (number) | 176,515,989 | 176,299,649 |
| Undiluted consolidated earnings per share in € | 0.94 | 1.21 |

| Diluted consolidated earnings per share in € | 2025 | 2024 |
|---|-------------|-------------|
| Consolidated earnings in €k | 165,704 | 212,764 |
| Ordinary shares (number) | 176,764,649 | 176,764,649 |
| Own shares (number) | -248,660 | -465,000 |
| Average number of shares to be included from SARs | 895,760 | 895,993 |
| Weighted average less treasury shares (number) | 177,411,749 | 177,195,642 |
| Diluted consolidated earnings per share in € | 0.93 | 1.20 |

49. Dividend per Share

The Annual General Meeting of 1&1 AG on 14 May 2025 agreed to the resolution proposal submitted by Management Board and Supervisory Board for the disbursement of a dividend in the amount of €0.05 per share. The dividend disbursement totalling €8.8 million was carried out on 19 May 2025.

In accordance with Section 20 of the 1&1 AG charter, the General Meeting decides on the utilisation of the unappropriated retained earnings. The Management Board proposes to the Supervisory Board a dividend for financial year 2025 as follows:

- Disbursement of a dividend of €0.05 per share. This proposal is oriented to the minimum dividend required by Section 254 (1) AktG. Assuming 176.5 million shares entitled to dividends, a dividend of €0.05 per share for the financial year 2025 would result in a total disbursement of €8.8 million.

Management Board and Supervisory Board discuss this dividend proposal for financial year 2025 in the Supervisory Board meeting on 17 March 2026.

Pursuant to Section 71b AktG, no rights – and therefore no pro rata distribution – accrue to the Company from treasury shares. As at the date of signing the Consolidated Financial Statements, the 1&1 Group holds 248,660 treasury shares (31 Dec 2024: 465,000 shares).

50. Declaration in accordance with section 161 AktG

On 15 December 2025, the Management Board and Supervisory Board of 1&1 AG issued the declaration required under Section 161 of the German Stock Corporation Act (AktG) and updated it on 5 March 2026. The declaration has been made permanently available on the website at www.1und1.ag/welcome.

51. Exemption from the obligation to disclose the Financial Statements pursuant to section 264 (3) HGB

The following German subsidiaries in the legal form of a stock corporation fulfilled the conditions required pursuant to Section 264 (3) HGB for the exercise of the exemption provision in financial year 2025:

- 1&1 Telecommunication SE, Montabaur
- 1&1 Telecom Holding GmbH, Montabaur

- 1&1 Telecom Sales GmbH, Montabaur
- 1&1 Telecom Service Montabaur GmbH, Montabaur
- 1&1 Telecom Service Zweibrücken GmbH, Zweibrücken
- 1&1 Logistik GmbH, Montabaur
- A 1 Marketing, Kommunikation und neue Medien GmbH, Montabaur
- United Internet Management Holding SE, Montabaur
- IQ-optimize Software GmbH, Frankfurt am Main
- 1&1 Towers GmbH, Düsseldorf
- Blitz 17-665 SE, Frankfurt am Main
- Blitz 17-666 SE, Frankfurt am Main

52. Incidents after the reporting date

On 5 January 2026, 1&1 drew down a further €225 million from the JBIC promotional loan via United Internet.

Negotiations between 1&1 and the other mobile network operators regarding the cooperative, joint use of equivalent spectrum below 1 GHz have so far been unsuccessful. Consequently, on 17 February 2026, the Federal Network Agency initiated a written hearing regarding an order for the cooperative, joint use of equivalent spectrum below 1 GHz within the roll-out areas of 1&1 Mobilfunk GmbH. The parties involved have until 18 March 2026 to comment on potential amendments to the spectrum allocations.

The large-scale attack launched by the United States and Israel against Iran at the end of February marked the beginning of the 2026 Iran War. Iran responded to these attacks with counterattacks against Israel and various countries and targets throughout the Middle East, including the Strait of Hormuz, which is critical for global shipping, global energy supplies, and global supply chains.

The 1&1 Group is not operationally active in Iran or the Middle East as part of its business activities. Israel, Iran, and the entire Middle East are also not target markets of the 1&1 companies, and no locations are maintained in the aforementioned countries or regions. Against this background, 1&1 currently does not expect any material impact on the business performance or the situation of the Company or the Group, particularly since the Group's business model is based on a large number of electronic subscriptions with fixed and moderate monthly fees and contractually defined terms. This ensures stable and predictable revenues and cash flows and provides protection against economic fluctuations.

Nevertheless, the economic consequences of the war (such as shortages or rising prices for oil, gas, and raw materials, or disrupted supply chains from the Far East) for the target markets of the 1&1 companies and for 1&1 itself cannot yet be assessed in concrete terms. The same applies to the potential risk of the war spreading to additional countries.

Montabaur, 16 March 2026



Ralph Dommermuth



Sascha D'Avis



Alessandro Nava

1&1 Aktiengesellschaft

Development of intangible assets, and property, plant and equipment

| 2025 | Cost of acquisition and manufacturing | | | | change in the scope of consolidation | 31/12/2025 |
|--------------------------------------|---------------------------------------|----------------|---------------|-----------|--------------------------------------|-------------------|
| | 01/01/2025 | Additions | Disposals | Transfers | | |
| | €k | €k | €k | €k | €k | €k |
| Intangible assets | | | | | | |
| Purchased software and licences | 449,259 | 84,662 | 5,921 | 24,461 | 125,992 | 678,453 |
| Rights similar to concessions | 165,000 | 0 | 0 | 0 | 0 | 165,000 |
| Own produced software | 14,443 | 0 | 0 | 0 | 0 | 14,443 |
| Spectrum | 1,070,187 | 0 | 0 | 0 | 0 | 1,070,187 |
| Trademarks | 56,300 | 0 | 0 | 0 | 62,000 | 118,300 |
| Clientele | 776,975 | 0 | 0 | 0 | 138,000 | 914,975 |
| Licences leases IFRS 16 | 9,282 | 0 | 0 | 0 | 0 | 9,282 |
| Payments on account | 25,170 | 44,757 | 0 | -24,461 | 10,809 | 56,275 |
| Goodwill | 2,932,943 | 0 | 0 | 0 | 398,261 | 3,331,204 |
| Subtotal (I) | 5,499,559 | 129,420 | 5,921 | 0 | 735,061 | 6,358,119 |
| Property, plant and equipment | | | | | | |
| Land and buildings | 319 | 740 | 637 | 17,120 | 7,231 | 24,773 |
| Telecommunications equipment | 0 | 5,771 | 798 | 89,716 | 1,774,281 | 1,868,969 |
| Network infrastructure | 0 | 375 | 260 | 7,624 | 268,836 | 276,576 |
| Right-of-use assets | 505,778 | 273,871 | 31,660 | 2,073 | 1,085,323 | 1,835,385 |
| Fixtures, fittings and equipment | 426,210 | 109,155 | 11,815 | 37,169 | 23,692 | 584,411 |
| Payments on account | 162,655 | 123,277 | 4,094 | -153,703 | 268,850 | 396,986 |
| Subtotal (II) | 1,094,963 | 513,189 | 49,265 | 0 | 3,428,214 | 4,987,099 |
| Total | 6,594,522 | 642,608 | 55,186 | 0 | 4,163,276 | 11,345,218 |

| Accrued amortisation | | | | | | Net carrying value | | |
|-------------------------|------------------|-----------------|-----------------|-----------------|--|-----------------------|------------------|------------------|
| | 01/01/2025 €k | Additions €k | Disposals €k | Transfers €k | change in the scope of consolidation €k | 31/12/2025 €k | 31/12/2024 €k | 31/12/2025 €k |
| | 162,634 | 70,033 | 5,888 | 0 | 51,163 | 277,941 | 286,625 | 400,511 |
| | 148,500 | 16,500 | 0 | 0 | 0 | 165,000 | 16,500 | 0 |
| | 11,887 | 1,334 | 0 | 0 | 0 | 13,220 | 2,556 | 1,223 |
| | 82,085 | 40,819 | 0 | 0 | 0 | 122,904 | 988,102 | 947,283 |
| | 3,100 | 4,400 | 0 | 0 | 0 | 7,500 | 53,200 | 110,800 |
| | 713,360 | 58,494 | 0 | 0 | 63,710 | 835,563 | 63,615 | 79,411 |
| | 7,691 | 1,591 | 0 | 0 | 0 | 9,282 | 1,591 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 25,170 | 56,275 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 2,932,943 | 3,331,204 |
| | 1,129,257 | 193,170 | 5,888 | 0 | 114,873 | 1,431,412 | 4,370,302 | 4,926,707 |
| | 134 | 652 | 637 | 3,587 | 4,316 | 8,052 | 185 | 16,721 |
| | 0 | 7,864 | 333 | 0 | 794,113 | 801,643 | | 1,067,326 |
| | 0 | 879 | 12 | 0 | 147,297 | 148,164 | | 128,412 |
| | 66,571 | 57,219 | 6,286 | 0 | 537,166 | 654,671 | 439,207 | 1,180,715 |
| | 65,607 | 61,629 | 5,293 | -3,587 | 15,361 | 133,716 | 360,603 | 450,695 |
| | 0 | 7,910 | 3,524 | 0 | 14,386 | 18,772 | 162,655 | 378,214 |
| | 132,312 | 136,153 | 16,086 | 0 | 1,512,638 | 1,765,018 | 962,650 | 3,222,083 |
| | 1,261,569 | 329,324 | 21,974 | 0 | 1,627,511 | 3,196,430 | 5,332,952 | 8,148,789 |

| 2024 | Cost of acquisition and manufacturing | | | | change in the scope of consolidation | 31/12/2024 |
|--------------------------------------|---------------------------------------|----------------|---------------|-----------|--------------------------------------|------------------|
| | 01/01/2024 | Additions | Disposals | Transfers | | |
| | €k | €k | €k | €k | | |
| Intangible assets | | | | | | |
| Purchased software and licences | 144,979 | 68,767 | 7,910 | 243,423 | 0 | 449,259 |
| Rights similar to concessions | 165,000 | 0 | 0 | 0 | 0 | 165,000 |
| Own produced software | 14,443 | 0 | 0 | 0 | 0 | 14,443 |
| Spectrum | 1,070,187 | 0 | 0 | 0 | 0 | 1,070,187 |
| Trademarks | 56,300 | 0 | 0 | 0 | 0 | 56,300 |
| Clientele | 776,975 | 0 | 0 | 0 | 0 | 776,975 |
| Licences leases IFRS 16 | 9,282 | 0 | 0 | 0 | 0 | 9,282 |
| Payments on account | 243,510 | 25,083 | 0 | -243,423 | 0 | 25,170 |
| Goodwill | 2,932,943 | 0 | 0 | 0 | 0 | 2,932,943 |
| Subtotal (I) | 5,413,619 | 93,850 | 7,910 | 0 | 0 | 5,499,559 |
| Property, plant and equipment | | | | | | |
| Land and buildings | 324 | 0 | 5 | 0 | 0 | 319 |
| Telecommunications equipment | | | | | | 0 |
| Network infrastructure | | | | | | 0 |
| Right-of-use assets | 236,954 | 271,080 | 2,256 | 0 | 0 | 505,778 |
| Fixtures, fittings and equipment | 81,263 | 152,969 | 1,656 | 193,634 | 0 | 426,210 |
| Payments on account | 251,599 | 106,884 | 2,194 | -193,634 | 0 | 162,655 |
| Subtotal (II) | 570,140 | 530,933 | 6,111 | 0 | 0 | 1,094,962 |
| Total | 5,983,759 | 624,783 | 14,021 | 0 | 0 | 6,594,521 |

| Accrued amortisation | | | | | | Net carrying value | | |
|-------------------------|----------------|----------------|--------------|-----------|--|-----------------------|------------------|------------------|
| | 01/01/2024 | Additions | Disposals | Transfers | change in the scope of consolidation | 31/12/2024 | 31/12/2023 | 31/12/2024 |
| | €k | €k | €k | €k | €k | €k | €k | €k |
| | 117,137 | 53,407 | 7,910 | 0 | 0 | 162,634 | 27,842 | 286,625 |
| | 115,500 | 33,000 | 0 | 0 | 0 | 148,500 | 49,500 | 16,500 |
| | 10,246 | 1,641 | 0 | 0 | 0 | 11,887 | 4,197 | 2,556 |
| | 41,266 | 40,819 | 0 | 0 | 0 | 82,085 | 1,028,921 | 988,102 |
| | 3,100 | 0 | 0 | 0 | 0 | 3,100 | 53,200 | 53,200 |
| | 627,183 | 86,177 | 0 | 0 | 0 | 713,360 | 149,792 | 63,615 |
| | 6,100 | 1,591 | 0 | 0 | 0 | 7,691 | 3,182 | 1,591 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 243,510 | 25,170 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 2,932,943 | 2,932,943 |
| | 920,532 | 216,635 | 7,910 | 0 | 0 | 1,129,257 | 4,493,087 | 4,370,302 |
| | | | | | | | | |
| | 123 | 16 | 5 | 0 | 0 | 134 | 201 | 185 |
| | | | | | | 0 | | 0 |
| | | | | | | 0 | | 0 |
| | 42,602 | 24,224 | 255 | 0 | 0 | 66,571 | 194,352 | 439,207 |
| | 26,386 | 40,578 | 1,357 | 0 | 0 | 65,607 | 54,877 | 360,603 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 251,599 | 162,655 |
| | 69,111 | 64,818 | 1,617 | 0 | 0 | 132,312 | 501,029 | 962,650 |
| | 989,643 | 281,453 | 9,527 | 0 | 0 | 1,261,569 | 4,994,116 | 5,332,952 |

Affidavit by Legal Representatives (Balance Sheet Oath)

248 Affidavit by Legal Representatives (Balance Sheet Oath)

249 Independent Auditor's Report

Affidavit by Legal Representatives (Balance Sheet Oath)

We hereby declare, to the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Montabaur, 16 March 2026

The Management Board



Ralph Dommermuth



Sascha D'Avis



Alessandro Nava

INDEPENDENT AUDITOR'S REPORT

To 1&1 AG, Montabaur

Report to the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of 1&1 AG, Montabaur, and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as at 31 December 2025, and the Consolidated Comprehensive Income Statement, Consolidated Change in Equity Statement and Consolidated Cash Flow Statement for the financial year from 1 January to 31 December 2025, and Consolidated Notes, including material accounting policy information. In addition, we have audited the group management report of 1&1 AG, which is combined with the with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those disclosures marked as unaudited in section "4.1 Risk report" of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the disclosures in section "4.1 Risk report" referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- Appropriateness of revenue recognition
- Recoverability of goodwill and intangible assets not yet available for use (spectrum)
- Acquisition of United Internet Management Holding SE

Our presentation of these key audit matters has been structured in each case as follows:

- Matter and issue
- Audit approach and findings

- Reference to further information

Hereinafter we present the key audit matters:

Appropriateness of revenue recognition

In the consolidated financial statements of 1&1 AG, revenue (sales) of EUR 4,135.8 million is recognized in the consolidated statement of comprehensive income. This significant item in terms of its amount is subject to particular risk due to the complexity of the processes and controls necessary for correct recognition and deferral, the impact of ever-changing price and tariff models (including tariff structures, customer discounts, incentives), and the existence of multiple-element arrangements.

In addition, the accounting standard applicable to revenue recognition, IFRS 15 – Revenue from contracts with customers (IFRS 15), requires estimates and judgments in certain areas – such as determining the transaction price and allocating it to the performance obligations identified in a multiple-element arrangement based on the relative stand-alone selling prices – that had to be assessed for appropriateness in the context of our audit. Against this background, the accounting treatment of revenue was of particular significance in the context of our audit.

In the knowledge that the complex nature of this matter and the need to make estimates and assumptions give rise to an increased risk of accounting misstatements, as part of our audit we began by assessing the processes and controls put in place by the Group, including the IT systems used for the purposes of revenue recognition. In particular, we assessed the IT system environment for billing and measurement, other relevant systems supporting the accounting treatment of revenue, and the billing and measurement systems right up to entries in the general ledger.

Furthermore, we evaluated the transaction prices to be determined based on contracts with customers and their allocation to the performance obligations identified in a multiple-element arrangement on the basis of the relative stand-alone selling prices, and assessed whether these obligations were satisfied over time or at a point in time. In this context, we also assessed the appropriateness of the procedure used to allocate revenue to the correct period, and the estimates and judgments made by the executive directors with respect to revenue recognition and accrual/deferral. We took account of the increased inherent risk in the case of manual entries, in particular by performing additional analytical audit procedures, for instance by means of time series analyses or by forming ratios. Furthermore, we assessed the accounting effects of new price and tariff models and the appropriateness of the associated changes to the processes and IT systems used for the purposes of revenue recognition. We applied consistent audit procedures for the audit of the operating subsidiaries to ensure that we responded appropriately throughout the Group to the inherent audit risk relating to revenue recognition.

We were able to satisfy ourselves that the systems, processes and controls in place are appropriate and that the estimates and assumptions made by the executive directors with respect to revenue recognition are sufficiently documented and substantiated.

The Company's disclosures relating to revenue recognition in the consolidated financial statements of 1&1 AG are contained in the sections "2.1 Explanatory comments on major accounting and valuation methods", "3. Significant discretionary decisions and estimates" and "4. Sales revenues/Segment reporting" of the notes to the consolidated financial statements.

Recoverability of goodwill and intangible assets not yet available for use (spectrum)

Non-current assets amounting in total to EUR 9,107.8 million are reported in the consolidated financial statements of 1&1 AG. Goodwill amounting in total to EUR 3,331.2 million (30.3% of total assets or 55.6% of equity) is reported under the "Goodwill" balance sheet item. Furthermore, intangible assets (spectrum) amounting to EUR 947.3 million (8.6% of total assets or 15.8% of equity) are reported under the "Intangible assets" balance sheet item that, in part, are not yet available for use and thus not subject to amortization (hereinafter "intangible assets (spectrum)").

Goodwill and intangible assets (spectrum) are tested for impairment by the Company once a year or when there are indications of impairment to determine any need for write-downs. The impairment test is carried out at the level of the respective cash-generating unit to which the goodwill or intangible assets (spectrum) are allocated. The carrying amount of the relevant cash-generating unit, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective cash-generating unit normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted budget of the Group forms the starting point which is extrapolated based on assumptions about the Group's medium-term business plan and long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating unit. The impairment tests on goodwill and on intangible assets (spectrum) determined that no write-downs were necessary in financial year 2025.

The outcome of the impairment tests is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective cash-generating units, the discount rate used, the rates of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuations, this matter was of particular significance in the context of our audit.

As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash flows used for the calculation against the adopted budget and the medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In the knowledge that even relatively small changes in the discount rate applied and the growth rates can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate and the growth rates applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. We verified that the necessary disclosures were made in the notes relating to cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

The Company's disclosures relating to the "Goodwill" balance sheet item are contained in the sections "2.1 Explanatory comments on major accounting and valuation methods", "3. Significant discretionary decisions and estimates", "26. Intangible assets (excluding goodwill) and "27. Goodwill and impairment of goodwill and intangible assets with indeterminate useful lives as well as intangible assets currently not yet available for use (spectrum)" of the notes to the consolidated financial statements.

Acquisition of United Internet Management Holding SE

Effective as of November 30, 2025, the management boards of United Internet AG and 1&1 AG, with the consent of their respective supervisory boards, entered into a purchase agreement for the acquisition of all shares of United Internet Management Holding SE (hereinafter "UIMH"). UIMH and its wholly owned subsidiary 1&1 Versatel GmbH (hereinafter "1&1 Versatel") have been included in the consolidated financial statements of 1&1 AG since the acquisition date. Of the EUR 1.3 billion purchase price, EUR 650 million was offset against 1&1 AG's existing cash pool receivables from United Internet AG. In addition, United Internet AG granted 1&1 AG a vendor loan of EUR 650 million. It was also agreed that the purchase price may increase or decrease by up to EUR 300 million depending on the future business development of 1&1 Versatel in the period up to 2029. Any adjustment amount would then fall due in 2030.

1&1 AG, UIMH and its subsidiary 1&1 Versatel are all controlled by United Internet AG both before and after the acquisition. The transaction is therefore a combination of entities or businesses under common control, which in accordance with IFRS 3.2(c) does not fall within the scope of IFRS 3. In accordance with IAS 8.10, the application of an appropriate accounting policy was thus at the discretion of the executive directors. In line with the accounting policies commonly applied in practice, the options open to the Company were to

account for the acquisition using the acquisition method in analogous application of IFRS 3 or continue to recognize the assets acquired and liabilities assumed at their respective carrying amounts (book value transfer).

The combination of entities under common control was accounted for as a book value transfer. All the assets and liabilities of the acquired companies were recognized at their respective gross carrying amounts as of the acquisition date. The excess over the agreed consideration of EUR 250 million was recognized in the capital reserves.

In our view, this matter was of particular significance in the context of our audit because, due to an IFRS loophole, the accounting treatment of this acquisition by means of a book value transfer was to a large extent based on the judgment of the Company's executive directors.

As part of our audit and with the involvement of our international accounting department, among other things we assessed the appropriateness of the book value transfer method applied. In particular, we assessed whether the requirements for its application were met.

We also verified the method used in transferring the carrying amounts of the assets acquired and liabilities assumed and their due and proper recognition in the consolidated financial statements of 1&1 AG as of the acquisition date. In doing so, we gained an in-depth understanding of the underlying technical processes and examined whether the adopted carrying amounts of the assets and liabilities were recognized accurately and fully in the consolidated financial statements.

Finally, we ascertained whether the disclosures in the notes to the consolidated financial statements concerning the acquisition accounted for using the book value transfer method were appropriate and correct. In our view, the underlying estimates made by the executive directors in accounting for the acquisition are substantiated and sufficiently documented and ensure that it is properly presented in the consolidated financial statements.

The Company's disclosures relating to the UIMH acquisition are contained in section "General information about the company and the financial statements".

Other Information

The executive directors are responsible for the other information. The other information comprises the disclosures in section "4.1 Risk report" of the management report, which are marked as unaudited, as non-audited part of the management report.

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial group report to comply with §§ 315b to 315c HGB
- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial

statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on

the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file 1und1_AG_KA+ZLB_ESEF-2025-12-31-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 14 May 2025. We were engaged by the supervisory board on 22 December 2025. We have been the group auditor of the 1&1 AG, Montabaur, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the group management report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Erik Hönig.

1&1 AG's Remuneration Report 2025

The following Remuneration Report explains the principles of the remuneration system for the Management Board and Supervisory Board members of 1&1 AG and describes the amount and structure of the remuneration for the corporate bodies in the financial year 2025. The report is prepared in accordance with the requirements of Section 162 of the German Stock Corporation Act (AktG).

The report consists of two parts:

- The first part outlines the remuneration system for the Management Board and Supervisory Board, as approved by the company's Annual General Meeting on 16 May 2024 and on 14 May 2025.
- The second part, starting on page 14, contains the actual Remuneration Report for the Management Board and Supervisory Board, fulfilling the disclosure requirements under Section 162 AktG.

For better readability, the masculine form is used in this report for gender-specific terms. 1&1 points out that the use of the masculine forms must be explicitly understood to include all genders.

Rounding-off differences to the mathematically precise values (monetary units, percentages, etc.) may occur in tables and in references because of the applied computational methods.

The Remuneration Report for the financial year 2024 was prepared in accordance with Section 162 AktG and audited by the external auditor in compliance with Section 162 (3) sentence 1 and 2 AktG. The Remuneration Report was approved by the Annual General Meeting on 14 May 2025 with a 90.86 per cent majority. The Remuneration Report for the financial year 2025 was also prepared in accordance with Section 162 AktG and audited by the external auditor in compliance with Section 162 (3) sentence 1 and 2 AktG. The Remuneration Report for 2025 will be submitted to the Annual General Meeting on 20 May 2026 for approval.

Discussions with investors yielded highly positive feedback regarding the structure and transparency of the Remuneration Report, with no indications for necessary improvements or suggestions for changes. Accordingly, no amendments were made to the Remuneration Report.

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1&1 AG Remuneration System

Management Board Remuneration

The 1&1 AG Supervisory Board presented the current remuneration system for Management Board members during the Annual General Meeting on 14 May 2025 and requested its approval. The remuneration system was adopted by 90.86 per cent of the votes cast.

Management Board remuneration system

Introduction

The 1&1 AG remuneration system described below sets forth the basic principles for the conclusion of new Management Board service contracts as of the Annual General Meeting 2025. Existing service contracts with Management Board members remain unaffected but are aligned with the provisions of the remuneration system. Compared to the previous remuneration system for Management Board members, the system approved at the 2025 Annual General Meeting offers greater flexibility in applying the target achievement range.

The remuneration for members of the Company's Management Board is oriented toward sustainable and long-term corporate development. Management Board members should be remunerated reasonably and as appropriate for their responsibilities and duties. The economic situation, the Company's success, the personal performance of each Management Board member, the interests of persons associated with the Company and social issues must be taken into account for the assessment of the remuneration. The remuneration should create an incentive to be successful with respect to all these perspectives. Success should be targeted as a long-term achievement, which is why the remuneration must not encourage the taking of short-term risks.

The remuneration system for Management Board members is designed to be simple, clear, and transparent. It complies with the requirements of the German Stock Corporation Act and, with the exceptions listed below, follows the recommendations of the German Corporate Governance Code (GCGC) as amended on 28 April 2022.

Remuneration system, procedures, comparative groups and remuneration structure

The Supervisory Board establishes and regularly reviews the Management Board remuneration system in compliance with legal requirements. Once the remuneration system is determined, the Supervisory Board

submits it to the Annual General Meeting for approval. If the Annual General Meeting approves the remuneration system, it will be resubmitted for approval in the event of significant changes or at least every four years. If the Annual General Meeting does not approve the remuneration system, the Supervisory Board must present a revised remuneration system at the next ordinary Annual General Meeting. The system is in compliance with the regulations of the Stock Corporation Act and the German Corporate Governance Code (GCGC) applicable to the handling of conflicts of interest.

The remuneration of the individual Management Board members is calculated on the basis of the remuneration system. For each individual Management Board member, the Supervisory Board determines the specific target total remuneration. This must be in a reasonable proportion to the duties and performance of the Management Board member as well as the company's situation and must not exceed the customary remuneration without special reasons.

The appropriateness of the specific total remuneration is assessed based on a comparison with other companies (horizontal comparison) as well as in relation to remuneration within the Company (vertical comparison).

The external (horizontal) comparison is based on data from companies regarded as operating in comparable industries and/or that are also listed on the TecDAX/SDAX and comparable with the Company in terms of market position, revenue and number of employees. The composition of the comparison groups is disclosed. When comparing the data from various sources, the Supervisory Board consults *inter alia* the findings of independent providers of remuneration studies and the published business and Remuneration Reports of comparable companies; furthermore, it is advised by experienced remuneration consultants who are independent of the Management Board and the company. The internal (vertical) comparison is realised by the Supervisory Board's consideration of the relationship of the Management Board remuneration to the remuneration of the Company's senior management and workforce, including the affiliated companies of the 1&1 Group, and the development of this relationship over time. The Supervisory Board also makes these comparisons when determining the structure of the remuneration system as a whole.

The total remuneration of the Company's Management Board members consists of (i) a fixed, non-performance-related basic salary, (ii) perquisites and (iii) a variable, performance-related component. The variable component in turn consists of short-term and long-term components. The remuneration system provides bandwidths and limits within which the Supervisory Board moves in making the concrete assessments of each of the remuneration components and in determining the final total remuneration that includes the variable component.

Overview of the remuneration structure

Non-performance-related remuneration components

| | |
|--------------------------------------|---|
| Basic remuneration | Fixed salary, paid monthly |
| Fringe benefits / other remuneration | Insurance cover (D&O etc.); company car; housing, relocation, brokerage, home travel and tax accountant expenses to a certain extent; special allowances and signing bonus, if applicable |

Performance-related remuneration components

| | |
|--|--|
| Short-term variable remuneration (STI) | Based on the achievement of certain targets (revenue and earnings ratios; operational / strategic aspects; personal performance; non-financial performance criteria (ESG)) |
| Long-term variable remuneration (LTI) | Participation in the SAR programme; participation in the increase in value of the Company's stock; 5-year term |

The total remuneration includes remuneration for activities for and board positions in companies affiliated with the Company, related parties and holding companies.

Insofar as any such positions have been assumed, any remuneration paid for these activities (e.g., attendance fees) is generally offset against the total remuneration and – taking into account tax requirements – is usually deducted from the short-term variable remuneration that must be paid. The Supervisory Board may conclude deviating agreements concerning the remuneration for official positions in related parties and holding companies with the pertinent Management Board member.

Contribution of remuneration to promoting the business strategy and the long-term development of the Company

The remuneration system for the Management Board members of the company is designed to compensate them in line with their areas of responsibility, performance, and the Company's success. The remuneration of the members of the Company's Management Board promotes its business strategy in multiple ways:

- The structure of the short-term variable remuneration provides for the setting of targets in agreement with the members of the Management Board that, for one, secure economic success through the achievement of certain key performance indicators. For another, individual targets, which may also include concrete strategic targets, are agreed. The inclusion of target criteria with environmental and social aspects is also intended to reward social successes.

- The long-term variable remuneration with its orientation to the stock price and its term of several years ensures that there is an incentive for sustainable economic success. Moreover, the interests of the Company and its shareholders are linked to those of the Management Board in the long term. Every member of the Management Board participates in the sustainable success of the Company, but must also shoulder economically negative developments together with the Company. This system prompts Management Board members to act as entrepreneurs and to pursue the interest of the Company from a long-term perspective.

Non-performance-related remuneration components

Fixed remuneration and perquisites

The fixed remuneration serves as a guaranteed basic remuneration and is paid monthly as a salary. The fixed remuneration is reviewed at regular intervals and adjusted as expedient. Every review includes a comparison with in-company structures and figures from other companies. In the event of a mid-year entry or departure, the Management Board member receives a pro-rated annual fixed salary. In the case of inability to work due to health reasons, remuneration is continued for three months; in the case of incapacity due to an occupational accident, remuneration is continued for six months, taking into account any benefits the Management Board member receives from statutory or private health insurance for loss of earnings.

The following perquisites are offered as standard:

- Directors' and Officers' (D&O) liability insurance with a deductible in accordance with Section 93 (2) sentence 3 AktG and a legal expenses insurance that covers not only the Management Board member's role within the Company but also any other board memberships within the United Internet AG Group and
- a company car with private right-of-use assets (alternatively, a car allowance or a BahnCard).

The company also provides a subsidy for health and long-term care insurance.

In addition, the following perquisites may be granted as part of the "onboarding" of new Management Board members:

- Assumption of reasonable relocation and/or estate agent expenses
- Assumption of local housing costs (e.g., as an allowance for costs of two households) for a reasonable period of time

- Payment of a monthly allowance in line with the market for travel to home/family (return journey) for a reasonable period of time
- Assumption of standard market tax accountant expenses relevant for the establishment of the employment relationship
- Assumption of standard market tax accountant expenses for special matters (e.g., matters involving foreign countries) in the current employment relationship

In addition, the Supervisory Board may grant a signing bonus to new Management Board members when they transfer from another employment relationship; the bonus serves to compensate lost remuneration from the previous employment relationship. The amount of the signing bonus must in any case be offset against any payment claims from the long-term variable remuneration. Should the Management Board member leave the Company at his/her request before the signing bonus has been fully credited, the Management Board member must repay the outstanding amount of the signing bonus to the Company. In these cases, the Supervisory Board is permitted to conclude an agreement with the Management Board member according to which the amount to be repaid is reduced *pro rata temporis* over a longer period of time, whereby the period of time should be less than 24 months after commencing work for the Company solely in justified exceptional cases.

In addition, in justified exceptional cases – e.g., if a member of the Management Board assumes further division responsibilities in addition to his/her actual division responsibilities (e.g., due to illness or absence of a fellow Management Board member or a reassignment of divisions) – a reasonable increase in the fixed remuneration appropriate to the change is also permissible.

Performance-related remuneration components

Short-term variable incentive (Short Term Incentive: ("STI"))

In addition to the fixed remuneration, each Management Board member is entitled to an STI, which is based on the respective financial year of the company. For the STI, a target amount is specified in the service contract of the respective Management Board member, which is earned when the agreed-upon targets are met at an average of 100 per cent. The targets are set by the Supervisory Board at the beginning of every financial year. Possible targets:

| STI Targets | Proportion of STI (Minimum / Maximum) |
|---|--|
| Growth in sales and earnings ratios (such as EBITDA) and capital efficiency ratios (such as ROI) of the 1&1 Group | 50 % - 70 % |
| Strategic goals (e.g. business development, efficiency increase, market exploitation) | 5 % to 25 % |
| Personal strategic performance targets (e.g. responsibility for specific projects) | 5 % to 25 % |
| Non-financial performance criteria such as concerns of groups connected with the Company (so-called stakeholders), environmental and social issues ("ESG elements") | 5 % to 20 % |

The Supervisory Board may deviate from the above-mentioned recommended proportions for the weighting of the separate targets. Before the start of a performance period, the Supervisory Board determines the individual targets.

The various categories enable the Company to create optimal alignment of the short-term variable remuneration with its interests:

- Revenue (growth) and earnings (especially EBITDA) of the 1&1 Group are the key criteria for assessing its economic success in the past financial year. For this reason, this category should comprise the largest proportion among the STI targets. This is in recognition of the commitment and contribution of the individual Board member to the benefit of the Company and the corporate group. Lack of economic success has a direct negative impact on the remuneration of the Board member.
- Strategic goals, on the other hand, set specific incentives for the achievement of certain parameters or the implementation of measures, and can more accurately reflect certain future-oriented decisions than the revenue and profit of the corporate group. These targets should be set for the Management Board as a whole.
- Personal strategic performance targets can be set for each individual Management Board member, thereby creating an incentive for the successful completion of certain projects for which the specific Management Board member is responsible, the solving of individual division-related challenges and the achievement of certain division-specific key performance indicators (e.g., customer satisfaction).
- ESG elements are mandatory and, in contrast to the previous categories, primarily serve the interests of groups associated with the Company and environmental objectives. This target component gives the Supervisory Board the opportunity to focus the attention of the Board members on social issues and to create an incentive to address such issues. The scope of possible topics for these targets is broad because of the diversity of interests that might come into question. In setting targets, the Supervisory Board should consequently respond dynamically to social and environmental challenges. The ESG elements are not limited to issues outside the corporate group; they should also serve to master parallel challenges within the Company and its related parties (e.g., diversity).

As a rule, a range of 90% to 120% applies to target achievement. When setting targets, the Supervisory Board may determine whether this range applies individually to each target category (using the average of sub-targets), to all targets (categories and sub-targets) individually, or to the average of individual target achievements (across categories and sub-targets or categories only). In the year of a member's hiring, especially in stub periods, the Supervisory Board can guarantee a minimum amount of STI for the first 6 to 12 months of the term of office to the Management Board member. A part of this minimum amount may also be paid to the Management Board member on a monthly basis.

It is possible to set different targets for each Management Board member, but revenue and earnings targets must always be uniformly defined.

The Supervisory Board discusses and determines the assessment of the degree of achievement of the STI in a meeting after the adoption of the annual financial statements for the 1&1 Group. The Supervisory Board prepares this meeting together with the Management Board members and the competent departments so that the governing body has access to the complete information necessary for an assessment and, if necessary, to additional expertise.

The revenue and earnings category is based on the key performance indicators determined by Corporate Finance. Revenue and profit targets are part of the forecast and the target/actual comparison is based on the audited annual financial statements.

The Supervisory Board determines the degree of achievement of the strategic targets by evaluating the concepts submitted by the Management Board and any other materials that may be required. The achievement of personal performance targets is also determined by the Supervisory Board on the basis of documents submitted by the Management Board (and any additional external expertise that may be required). The Supervisory Board takes into account the defined key performance indicators and success criteria in determining the target achievement of ESG elements.

After the conclusion of this Supervisory Board meeting, the STI will be paid out with the following salary payment round unless further circumstances must still be examined.

In the case of a mid-year entry or departure, the individual target amount is reduced by 1/12 for each month in which the Management Board member is not in office, is on leave, or their service contract is suspended.

Long-term variable remuneration (long term incentive: "LTI")

A programme based on virtual stock options (Stock Appreciation Rights ("SAR") programme) serves as an LTI. The Company reserves the right to fulfil its obligation to pay out SARs at its sole discretion, either in cash or by transferring shares to the participant.

SAR programme of 1&1 AG

| | |
|------------------------|---|
| Subject | Participation in the increase in value of the 1&1 AG stock |
| Systematics | Issue of a number of SARs that can be exercised in a specified scope at specified points in time. Vesting takes place in four steps: 1. 25 % of the SARs exercisable for the first time after expiration of two years 2. Another 25 % of the SARs exercisable for the first time after expiration of three years 3. Another 25 % of the SARs exercisable for the first time after four expiration of years 4. The remaining 25 % of the SARs exercisable for the first time after expiration of five years. |
| Term / Fulfilment | Term: 6 years. Full vesting of all SARs after five years. Upon expiry of the SAR program, all unexercised SARs expire without compensation; payment entitlement in cash or shares at the Company's discretion. |
| Calculation parameters | Difference between the initial price (closing price of the share when issued) and the closing price of the share when the SARs are exercised (arithmetic mean of the last ten trading days in each case). |
| Restrictions | - Initial waiting period of two years - Two exercise windows per year - Exercise of previously awarded SARs only - Exercise hurdle: exercisability of a vested SAR solely if at the time of exercise there has been a price increase of at least 20 % on the initial price |
| Cap | 100 % of the initial price |

The number of SARs issued to a member of the Management Board (on average per year of the programme) is based on the intended total remuneration for that Management Board member, assuming that the internal forecasts for the development of the stock are achieved. Taking into account the requirements of the remuneration system, in particular the maximum remuneration, it is also possible to conclude another SAR agreement during the term of an SAR agreement.

Since the value development of the SARs is linked directly to the performance of the Company's stock price and vesting takes place over a total period of 5 years, the SAR programme creates an incentive to influence positively the Company's long-term performance in the interest of the shareholders. At the same time, the Management Board member not only participates in a positive development of the Company, but is also affected by a negative development of the stock price because of the exercise hurdle and the calculation of the amount that is paid out.

Upon termination of the service contract, the Management Board member retains the SARs earned up to that point. However, they must exercise them within the first exercise window after the termination of the employment relationship, in accordance with the applicable exercise regulations. Otherwise, the already earned SARs expire. SARs that have not yet been earned expire without compensation. In the case of a termination without notice for good cause, even the already earned but not yet exercised SARs expire.

In special circumstances (e.g., merger, spin-off), the Supervisory Board may allow a participant to exercise SARs early. Furthermore, if certain conditions arise (e.g., stock split, company restructuring), the Supervisory Board may adjust the exercise price.

Maximum remuneration

The maximum remuneration that an ordinary member of the Management Board can receive arithmetically from the sum of all remuneration components, i.e. basic salary, STI, LTI (remuneration from SAR programme/term in years) and perquisites, may not amount to a total gross sum higher than €3.5 million p.a. (maximum remuneration). Benefits in kind granted as perquisites are valued at their taxable value for payroll tax purposes.

The maximum remuneration for the CEO can be up to twice the maximum remuneration of a regular Management Board member, while the maximum remuneration for the Chief Operating Officer (COO) can be up to 1.5 times the maximum remuneration of a regular Management Board member.

The maximum remuneration is not a target total remuneration for the Management Board members deemed appropriate by the Supervisory Board, but solely an absolute upper limit that may not be exceeded under any circumstances. Should the payment of the LTI result in the maximum remuneration being exceeded, the entitlement from the LTI for the year in question in excess of the amount of the maximum remuneration will be forfeited. However, for payments made to fulfil LTI claims, the term of the LTI must be taken into account when calculating the maximum remuneration. Payments from the programme must therefore be spread evenly over the years of the respective agreement's term when assessing whether the annual maximum remuneration is complied with.

Ratio of fixed remuneration, STI and LTI and measurement of individual total remuneration

The following framework applies to the ratio of the separate remuneration components to the individual target total remuneration, taking into account the maximum remuneration:

| Relative proportion of separate remuneration elements in total individual remuneration (calculated p. a.) | | Absolute proportion of separate remuneration elements in total individual remuneration (calculated p. a.) |
|---|--------------|---|
| Fixed remuneration: | 15 % to 40 % | €300.000 to €600.000 |
| STI (target amount): | 5 % to 40 % | €50.000 to €400.000 |
| LTI (target amount p.a.): | 40 % to 80 % | €200.000 to €2.000.000 |

The individual total target remuneration is determined by the Supervisory Board with regard to

- the duties of the Management Board member,
- his responsibility in the Company,

- his experience,
- the question of whether the Management Board member has been appointed chairman of the Management Board, and
- the internal/vertical and external/horizontal comparison

and, at the same time, it must be ensured that the proportion of variable, performance-based remuneration (STI and LTI) together must amount to at least 60 per cent of the target total remuneration.

Pension commitments/insurance

The Company maintains a D&O insurance policy as well as group accident and travel insurance policies. During the performance of their activities, the members of the Management Board are also included in these framework agreements. Should additional insurance policies valid throughout the Group be taken out, these will also cover all members of the Company's Management Board.

A company pension scheme is offered exclusively on the basis of deferred compensation. A pension scheme financed by the Company is not provided unless the Company is obligated to do so by law.

The Company pays to each member of the Management Board contributions to health and long-term care insurance that as a maximum correspond to the employer's contributions that would be incurred for mandatorily insured employees. Should a member of the Management Board decide to join voluntarily the statutory pension scheme or to be insured under the statutory pension scheme upon joining the Company, the Company will also pay the related contributions up to a maximum of the employer's contributions that would be incurred by mandatorily insured employees.

In addition, in the event that the Management Board member is prevented from working because of illness, the Company will continue to pay the remuneration for a period of six months, offsetting any and all benefits paid to the Management Board member by a statutory or private health insurance for the loss of earnings.

Further rules and agreements

Remuneration-related legal transactions and severance arrangements

The term of the service contracts of the Management Board members is linked to their term of office. If the appointment of a member of the Management Board is revoked, the service contract also terminates. If the

revocation is not based on good cause as defined in Section 626 BGB, the service contract shall remain in effect for a period of 12 months (or until the original term of office expires, whichever occurs earlier).

The service relationship terminates automatically, without the need for a notice of termination, upon the granting of a permanent disability pension, but no later than the end of the month in which the Management Board member first becomes entitled to regular retirement benefits.

The Company has the right to release the Management Board member from their duties at any time in connection with the termination of the service contract, while continuing to pay the contractual remuneration and offsetting any outstanding vacation entitlements.

In all other respects, the Company observes the requirements of the GCGC for payments in the event of premature termination of the activity. According to the Code, payments to a Management Board member in the event of premature termination of Management Board activities should not exceed the value of two years' remuneration and should not remunerate the member for a period longer than the remaining term of the service contract. If and when there is a post-contractual prohibition of competition, any severance payments will also be offset against the waiting period compensation.

Post-contractual non-competition clause

The Management Board contracts contain a post-contractual non-competition clause with a term of up to one year. Unless the non-competition clause is waived by the Supervisory Board, the Management Board member is entitled to waiting period compensation in the amount of 75 per cent to 100 per cent of the last fixed remuneration they received. The Management Board member must accept the offset in full of any other income from a new activity against the waiting period compensation. The service contracts may stipulate that the post-contractual non-compete clause shall only apply if the initial appointment to the Management Board is extended.

Claw-back clause

The employment contracts also contain a so-called "claw-back" clause that can be invoked to request reimbursement, in whole or in part, of any short-term or long-term variable remuneration granted to the Management Board member if and when it is determined that the necessary prerequisites for the payment were in actual fact not fulfilled (e.g., manipulated or incorrectly calculated key performance indicators). These provisions are without prejudice to claims for damages and claims for unjustified enrichment.

If a Management Board member breaches a duty under their corporate office or employment relationship and is thus liable for damages to the company, the Supervisory Board may, at its reasonable discretion, refuse to fulfil remuneration claims beyond the fixed salary and the short- and long-term variable remuneration, either in whole or in part, or demand the repayment of already received remuneration.

Extraordinary developments

The Supervisory Board will take extraordinary developments into account when measuring the achievement of the STI target. There may be a need for corrections, especially in the economic key performance indicators, due to special influences. In addition, the Supervisory Board can counteract extraordinarily bad developments on the basis of Section 87 (2) AktG. In such cases, it may reduce the remuneration of the Management Board members to an appropriate amount if the Company's position after the determination of the remuneration deteriorates to such a degree that the further granting of the remuneration without any changes would be inequitable for the Company.

Change of control regulations

Commitments for benefits in the event of premature termination of the employment contract by the Management Board member consequent to a change of control have not been agreed. In the event of a merger, spin-off, or similar corporate events, or in the case of a company sale, the company may offer early exercise of SARs.

Temporary deviations from the remuneration system

The Supervisory Board may, in exceptional cases, temporarily deviate from individual components of the remuneration system if this is necessary in the interest of the Company's long-term success. This applies particularly to extraordinary and unforeseeable situations where a deviation from the remuneration system is necessary to serve the long-term interests and sustainability of the Company or to ensure its profitability. Such situations may arise due to macroeconomic conditions or company-specific circumstances. Deviations are particularly permissible in times of economic crises. The elements of the remuneration system that may be temporarily adjusted in exceptional cases include: annual fixed salary, perquisites, short-term and long-term variable remuneration components as well as the proportional structure of the remuneration components. Additionally, under the aforementioned conditions, the Supervisory Board may: grant additional remuneration components on a temporary basis or replace certain remuneration components with others, if necessary, to restore an appropriate level of incentives for the Management Board remuneration. Any changes or recalibrations made as part of such a temporary deviation from the remuneration system, along with the reasons for them, will be disclosed and explained in the Remuneration Report. A temporary deviation requires a formal resolution by the Supervisory Board, which must determine that a situation exists that necessitates a temporary deviation from the remuneration system in the interest of the company's long-term well-being, and define which specific deviations are considered appropriate in this context.

Supervisory Board Remuneration

The 1&1 AG Supervisory Board presented the current remuneration system for Supervisory Board members during the Annual General Meeting on 14 May 2025 and requested a resolution for its adoption. The remuneration system was approved by 99.98 per cent of the votes cast and applies from the financial year 2025.

The Supervisory Board's remuneration system

The system for the remuneration of Supervisory Board members is based on legal statutes and takes into account the requirements of the German Corporate Governance Code.

The Supervisory Board members receive a fixed remuneration plus an attendance fee without any variable or stock-based remuneration. The granting of fixed remuneration corresponds to the common predominant practice in other listed companies and has proved its value. The Management Board and the Supervisory Board are of the opinion that a fixed remuneration of the Supervisory Board members is best suited to strengthen the independence of the Supervisory Board and to take into account the advisory and supervisory function of the Supervisory Board that must be fulfilled independently of the Company's success. Suggestion G.18 sentence 1 GCGC also provides for fixed remuneration of the Supervisory Board members.

- The Supervisory Board members receive a fixed annual remuneration of €45 thousand. In accordance with Recommendation G.17 GCGC, the remuneration for the Chairman of the Supervisory Board and the Deputy Chairman of the Supervisory Board is higher to compensate for the greater time requirements associated with these positions. The fixed annual remuneration for the Chairman of the Supervisory Board is €55 thousand; the remuneration for the Deputy Chairman is €50 thousand. Also in accordance with Recommendation G.17 GCGC, the Chairman of the Audit and Risk Committee receives an additional €20 thousand per year, and every other member of the Audit and Risk Committee receives an additional €15 thousand per year. The Company must support the members of the Audit and Risk Committee in obtaining necessary training and further education and must also bear the costs incurred for any such measures in a reasonable scope.
- Remuneration for Supervisory Board members who have been members of the Supervisory Board or the Audit and Risk Committee for only part of a financial year receive remuneration calculated *pro rata temporis* for each month or part thereof of their membership.
- Every member of the Supervisory Board also receives an attendance fee of €1,000 for each participation in in-person meetings of the Supervisory Board. Insofar as meetings of the Supervisory Board do not take place in-person, but only virtually (if a meeting takes place only by telephone or only by video conference), the members of the Supervisory Board do not receive any attendance fee if the meeting did not

last longer than one hour; half of the attendance fee if the meeting lasted longer than one hour, but less than two hours; and the full attendance fee if the meeting lasted two hours or more. Members who do not personally attend in-person meetings of the Supervisory Board (such as participation by telephone or video conference) always receive only 25 per cent of the attendance fee; participation solely in the form of submission of a voting message does not give rise to any entitlement to an attendance fee. No attendance fee is paid for participation in meetings of the Audit and Risk Committee. Participation in meetings of the Audit and Risk Committee is compensated by the additional annual remuneration.

The total remuneration is due after the end of the financial year. Out-of-pocket expenses are reimbursed immediately. In addition, the members of the Supervisory Board are reimbursed for value-added tax.

Remuneration of Corporate Bodies of 1&1 AG

Remuneration of the Management Board Members in the financial year 2025

There were three members of the 1&1 AG Management Board in the financial year 2025:

Members of the Management Board as of 31 December 2025

- Ralph Dommermuth, Company founder and Chief Executive Officer (CEO) (with the Company since 1988)
- Sascha D’Avis (CFO)
- Alessandro Nava (COO)

Sascha D’Avis has served as CFO of 1&1 AG since 1 January 2025. Mr Markus Huhn held this position on the Management Board of 1&1 AG until 31 December 2024.

The 1&1 AG remuneration system approved by the Annual General Meeting of 14 May 2025 sets forth the basic principles for the conclusion of new Management Board service contracts as of the Annual General Meeting 2025. The service contracts already in place at that time (“legacy contracts”) with Management Board members Sascha D’Avis and Alessandro Nava already fully complied with the requirements of the remuneration system.

As stipulated in the 1&1 AG remuneration system, the members of the Company’s Management Board receive total remuneration consisting of a fixed, non-performance-related basic or fixed salary, perquisites and a variable, performance-related component. The variable component in turn consists of a short-term (STI) and a long-term (LTI) component.

One exception is the Chairman of the Management Board, Mr Ralph Dommermuth, who, in consultation with the Supervisory Board, has waived his right to Management Board remuneration.

When payments are made on the basis of an LTI programme, the term of each LTI must be taken into account when calculating the relative proportion of separate remuneration components. Accordingly, payments from such programmes must be distributed evenly over the years of the term when assessing the relative proportion. The term of the relevant SAR agreements is six years.

Individual remuneration of the Management Board members

The table below shows the remuneration granted and owed individually to the Management Board members. The various remuneration components are disclosed according to the following principles:

- Basic remuneration and perquisites are disclosed as "granted and owed" in the financial year in which the activity/service on which the remuneration is based was fully performed, regardless of the time of inflow or payment.
- The same procedure applies to the short-term variable remuneration (STI). The STIs are also disclosed as "granted and owed" in the financial year in which the activity/service on which the remuneration is based was fully performed, regardless of the time of inflow or payment.
- The long-term variable remuneration (LTI) is disclosed as "granted and owed" in the financial year in which the conversion rights for stock appreciation rights (SARs) are exercised, within the framework of the defined exercise dates and exercise scope and subject to the achievement of the defined exercise hurdles/targets.

Remuneration granted in the pertinent reporting year

| in €k | Year | Basic remuneration (Fix) | | Variable remuneration (Var) | | Total | Proportion Fix / Var |
|-------------------------|-------------|--------------------------|-----------------|-----------------------------|----------|--------------|----------------------|
| | | Fixed salary | Fringe benefits | STI | LTI | | |
| | 2025 | 0 | 0 | 0 | 0 | 0 | - |
| Ralph Dommermuth (CEO) | 2024 | 0 | 0 | 0 | 0 | 0 | - |
| | 2025 | 550 | 8 | 192 | 915 | 1.665 | 34 % / 66 % |
| Sascha D'Avis (CFO) (a) | 2024 | 0 | 0 | 0 | 0 | 0 | - |
| | 2025 | 0 | 0 | 0 | 0 | 0 | - |
| Markus Huhn (CFO) (b) | 2024 | 550 | 6 | 138 | 0 | 694 | 80 % / 20 % |
| | 2025 | 700 | 14 | 282 | 4.380 | 5.376 | 13 % / 87 % |
| Alessandro Nava (COO) | 2024 | 700 | 12 | 139 | 0 | 851 | 83 % / 17 % |
| | 2025 | 1.250 | 22 | 474 | 5.295 | 7.041 | 18 % / 82 % |
| Total | 2024 | 1.250 | 18 | 277 | 0 | 1.545 | 82 % / 18 % |

(a) Member of the Management Board since 1 January 2025

(b) Mr Huhn has not been a member of the Management Board of 1&1 AG since 1 January 2025. However, in 2025 he received a fixed salary and STI as an employee of Group subsidiaries. In addition, he exercised 259,250 SARs that were allocated to him in 2023.

Remuneration components in detail

Non-performance-related remuneration components

Fixed salary

The members of the Management Board receive a fixed salary that is paid monthly in twelve equal instalments.

Perquisites

The perquisites primarily consist of a company car appropriate to the position, the non-cash benefit of which is taxable.

Performance-related remuneration components

The performance-related variable remuneration components serve to promote the short- and long-term development of the Company.

STI

As part of the short-term variable remuneration (STI), targets are agreed with the members of the Management Board which are intended to ensure economic success by achieving certain key performance indicators. For another, individual targets, which may also include concrete strategic targets, are agreed. The inclusion of target criteria with environmental and social aspects is also intended to reward social successes.

The amount of the short-term variable remuneration depends on the achievement of specific targets established at the beginning of the financial year. A target figure (target amount) for the short-term variable remuneration is set that is achieved if the agreed targets are met in full on average (= 100 per cent). The targets are set by the Supervisory Board at the beginning of every financial year. When setting targets, the Supervisory Board may determine whether this range applies individually to each target category (using the average of sub-targets), to all targets (categories and sub-targets) individually, or to the average of individual target achievements (across categories and sub-targets or categories only). In the year of a member's hiring, especially in stub periods, the Supervisory Board can guarantee a minimum amount of STI for the first 6 to 12 months of the term of office to the Management Board member. A part of this minimum amount may also be paid to the Management Board member on a monthly basis.

The target amount for Mr D'Avis's short-term variable remuneration in the 2025 financial year was €200 thousand p.a. The target amount for Mr Nava's short-term variable remuneration in the 2025 financial year was €300 thousand p.a.

The following STI targets were set for Mr D'Avis and Mr Nava for the 2025 financial year:

| STI Targets | | Proportion of STI for Sascha D'Avis | Proportion of STI for Alessandro Nava | target attainment |
|--|--|-------------------------------------|---------------------------------------|-------------------|
| Financial target I | Group's service revenues of €3.303m | 20 % | 20 % | 100 % |
| Financial target II | Group EBITDA of €571m | 20 % | 10 % | 91 % |
| Strategic target I | Customer contracts at prior year level | 10 % | 10 % | 86 % |
| Strategic target II | Customer value | 20 % | 10 % | 93 % |
| Personal strategic targets: focus topic ESG | Finalisation of a climate strategy supplemented by scope 3 - emissions | 10 % | 10 % | 100 % |
| Personal strategic target: focus topic 1 Sascha D'Avis | Optimization of value in marketing | 10 % | 0 % | 95 % |
| Persönliche strategische Ziele: Fokusthema 2 Sascha D'Avis | Compliance with specified group opex | 10 % | 0 % | 108 % |
| Personal strategic target: focus topic 1 Alessandro Nava | Network performance and compliance with IT operational service levels | 0 % | 15 % | 94 % |
| Personal strategic target: focus topic 2 Alessandro Nava | Migration of all customers by end of 2025 | 0 % | 10 % | 100 % |
| Personal strategic target: focus topic 3 Alessandro Nava | Rollout antenna sites mobile network | 0 % | 15 % | 85 % |
| Total | | 100 % | 100 % | |

The target achievement was set without taking into account the one-month inclusion of 1&1 Versatel. Target achievement for the financial targets is based on service revenue of €3,306.6 million and operating EBITDA of €521.5 million, as well as on a net customer contract growth of -70,0 thousand for operational/strategic target I. The target achievement rate for customer value stands at 93 per cent.

If target achievement falls below 90 per cent, the targets are generally considered not met. For the targets relating to net customer contract growth and the "Expansion of Mobile Network Antenna Sites", the Supervisory Board set a different range of 80 per cent to 120 per cent, meaning that this target, with an achievement rate of 85 per cent, is factored into the overall target achievement.

This results in an overall target achievement for STI 2025 of 95.9 per cent for Mr Sascha D'Avis and 94.1 per cent for Mr Alessandro Nava.

LTI

There is a participation programme based on virtual stock options (Stock Appreciation Rights ("SAR") programme) that acts as a remuneration component with a long-term incentive effect (LTI). An SAR corresponds to a virtual subscription right to a share in the Company, i.e. it does not represent a (real) option to acquire shares in the Company. The fulfilment of SAR claims may be settled at the company's discretion, either in cash or through the transfer of one 1&1 AG share per SAR to the participant. The exercise threshold of the

programme is 120 per cent of the initially agreed exercise price. The payment of the value increase is limited to 100 per cent of the stock exchange price determined at the time the virtual options were awarded.

When SARs are exercised, the remuneration entitlement is calculated as the difference between the initial price (closing share price at issuance) and the closing price at the time of exercise (in each case, the arithmetic mean of the last ten trading days), multiplied by the number of SARs exercised. This is settled either in cash or through the issuance of a corresponding number of treasury shares. The number of shares issued is determined by dividing the calculated remuneration entitlement by the closing share price on the day the shares are transferred from 1&1 AG's securities account.

The option right can be exercised for a partial amount of up to 25 per cent at the earliest upon expiration of 24 months from the point in time of the awarding of the option; for a partial amount totalling up to 50 per cent at the earliest 36 months from the point in time of the awarding of the option; for a partial amount totalling up to 75 per cent at the earliest 48 months from the point in time of the awarding of the option; and for the full amount at the earliest upon the expiration of 60 months after the point in time of the awarding of the option.

The number of SARs issued to a member of the Management Board (on average per year of the programme) is based on the intended total remuneration for that Management Board member, assuming that the internal forecasts for the development of the stock are achieved. Taking into account the requirements of the remuneration system, in particular the maximum remuneration, it is also possible to conclude another SAR agreement during the term of an SAR agreement.

Since the value development of the SARs is linked directly to the performance of the Company's stock price and vesting takes place over a total period of 5 years, the SAR programme creates an incentive to influence positively the Company's long-term performance in the interest of the shareholders. At the same time, the Management Board member not only participates in a positive development of the Company, but is also affected by a negative development of the stock price because of the exercise hurdle and the calculation of the amount that is paid out.

Prior to his appointment to the Management Board of 1&1 AG, in his capacity as part of the Management Board of 1&1 Telecommunication SE, Mr Sascha D'Avis received a total of 613,500 SARs at exercise prices between €10.14 and €11.85 per option. The average fair value per option in accordance with IFRS 2 amounted to €2.49 and €3.64, respectively, at the time of issuance. The total value of the share-based remuneration granted to date amounted to €1,455.8 thousand. In the 2025 financial year, Mr D'Avis received a further 147,800 SARs. The exercise price was €20.31 per option. The average fair value per option in accordance with IFRS 2 at the time of issuance was €4.82. The total value of the share-based remuneration granted in 2025 amounted to €2.712 thousand.

Based on an average share price (10-day average) of €21.49 per 1&1 share prior to the start of the exercise period and the achievement of the exercise hurdle, Mr D'Avis was able to exercise a total of 90,250 SARs from the 2023 tranche in the 2025 financial year. Given the maximum permissible payout per option of €10.14 (= 100% of the issue price), this resulted in a total gross value of approximately €915 thousand. This amount was paid to Mr D'Avis on the exercise date, net of tax, through the transfer of shares from 1&1 AG's treasury share portfolio.

As at 31 December 2025, Mr D'Avis therefore holds 523,250 SARs from the 2023 and 2024 tranches and 147,800 SARs from the 2025 tranche.

Mr Alessandro Nava received a total of 600,000 SARs from the 2020 SAR tranche in the financial year 2020. The exercise price was €19.07 per option. The average fair value per option according to IFRS 2 was €3.64 at the time of issuance. Accordingly, the total value of the stock-based remuneration awarded in 2020 amounted to €2,184 thousand. In the financial year 2023, Mr Nava was granted an additional 1,728,000 SARs (SAR Tranche 2023). The exercise price was €10.14 per option. The average fair value per option according to IFRS 2 was €2.18 at the time of issuance. Claims from the SAR Tranche 2023 are reduced by the gross amount or the gross equivalent value (in the case of settlement through share transfer) of benefits that Mr Nava receives based on the SAR Tranche 2020. The total value of the stock-based remuneration awarded in 2023 amounted to €3,767 thousand.

Based on an average share price (10-day average) of €21.49 per 1&1 share prior to the start of the exercise period and the achievement of the exercise hurdle, Mr Nava was able to exercise a total of 432,000 SARs from the 2023 tranche in the 2025 financial year. Given the maximum permissible payout per option of €10.14 (= 100% of the issue price), this resulted in a total gross value of approximately €4,380 thousand. This amount was paid to Mr Nava on the exercise date in net terms through the transfer of shares from 1&1 AG's treasury stock.

As of 31 December 2025, Mr Nava thus holds 600,000 SARs from the 2020 tranche and 1,296,000 SARs from the 2023 tranche.

Mr Markus Huhn received a total of 360,000 SARs from the 2020 SAR tranche in the financial year 2020. The exercise price was €19.07 per option. The average fair value per option according to IFRS 2 was €3.64 at the time of issuance. The total value of the stock-based remuneration awarded in 2020 amounted to €1,310 thousand. In the financial year 2023, Mr Huhn was granted an additional 1,037,000 SARs (SAR Tranche 2023). The exercise price was €10.14 per option. The average fair value per option according to IFRS 2 was €2.18 at the time of issuance. Claims from the SAR Tranche 2023 are reduced by the gross amount or the gross equivalent value (in the case of settlement through share transfer) of benefits that Mr Huhn receives based on the SAR Tranche 2020. The total value of the stock-based remuneration granted in 2023 amounted to €2,261 thousand.

Given an average share price (10-day average) of €21.49 per 1&1 share prior to the start of the exercise period and the achievement of the performance target, Mr Huhn was able to exercise a total of 259,250 SARs from the 2023 tranche in the 2025 financial year. Given the maximum permissible payout per option of €10.14 (= 100% of the issue price), this resulted in a total gross value of approximately €2,629 thousand. This amount was paid to Mr Huhn on the exercise date, net of tax, through the transfer of shares from 1&1 AG's treasury share portfolio.

The remaining 777,750 SARs lapsed following Mr Huhn's departure from the Executive Board of 1&1 AG on 31 December 2025.

Furthermore, Mr Huhn has continued to hold 360,000 SARs of 1&1 AG from the 2020 SAR tranche since the 2020 financial year. The issue price is €19.07 per option. The exercise threshold is therefore €22.88 per SAR. The 360,000 SARs have now been fully vested and – provided the exercise threshold is met – may still be exercised up to and including the exercise window following the 2026 Annual General Meeting. Any payouts from the 2020 SAR tranche are to be offset against the payouts already made from the 2023 SAR tranche.

For the SAR programme, a target remuneration was set at 60 per cent of the maximum allowable payout under the programme. The maximum allowable payout per option is 100% of the exercise price.

The exercise of options in the 2025 financial year is as follows:

| SAR-Tranche 2020 - 2025 | Number of SARs per 31/12/2024 | Awarded in 2025 | Exercised in 2025 | Expired in 2025 | Number of SARs per 31/12/2025 |
|-------------------------|-------------------------------|-----------------|-------------------|-----------------|-------------------------------|
| Sascha D'Avis | 613.500 | 147.800 | 90.250 | 0 | 671.050 |
| Alessandro Nava | 2.328.000 | 0 | 432.000 | 0 | 1.896.000 |
| Markus Huhn (a) | 1.397.000 | | 259.250 | 777.750 | 360.000 |

(a) CFO until 31 December 2024

There are no company-financed pension commitments to Management Board members or other remuneration components. No remuneration is paid to Management Board members for Supervisory Board positions at subsidiaries. No advances or loans were granted to the Management Board members.

Claw-back clause

The remuneration system provides that new employment contracts should also include a so-called claw-back clause that can be invoked to request reimbursement, in whole or in part, of any short-term variable remuneration granted to the Management Board member if and when it is determined that the necessary prerequisites for the payment were in actual fact not fulfilled (e.g. manipulated or incorrectly calculated key performance indicators). Similar provisions for long-term variable remuneration should be included in the

contracts. These provisions are without prejudice to claims for damages and claims for unjustified enrichment. If a Management Board member breaches a duty arising from their corporate office and/or employment agreement and is fundamentally liable for damages to the Company, the Supervisory Board may, at its sole discretion, refuse the settlement of remuneration entitlements in whole or in part, or claw back payments already received by the Management Board member. These provisions are without prejudice to claims for damages and claims for unjustified enrichment.

Remuneration-related legal transactions and severance arrangements

The term of the service contracts of the Management Board members is linked to their term of office. If the appointment of a member of the Management Board is revoked, the service contract also terminates. If the revocation is not based on good cause as defined in Section 626 BGB, the service contract shall remain in effect for a period of 12 months (or until the original term of office expires, whichever occurs earlier). Entitlements to payment of severance compensation in the event of resignation are not granted to the Management Board members.

In all other respects, the Company observes the requirements of the GCGC for payments in the event of premature termination of the activity. Accordingly, in the event of premature termination of a Management Board member's activities, payments to said member may not exceed the value of two years' remuneration (severance cap) and shall not provide compensation for more than the remaining term of the employment contract. The value of two years' remuneration is derived from fixed and variable remuneration (based on 100 per cent target achievement) plus perquisites. According to the remuneration system, if and when there is a post-contractual non-competition clause, any severance payment should also be offset against the waiting period compensation.

There were no changes to these regulations in the financial year 2025.

Post-contractual non-competition clause

The Management Board contracts contain a post-contractual non-competition clause with a term of up to one year. Unless the non-competition clause is waived by the Supervisory Board, the Management Board member is entitled to waiting period compensation in the amount of 75 per cent to 100 per cent of the last fixed remuneration they received. The Management Board member must accept the offset in full of any other income from a new activity against the waiting period compensation.

There were no changes to these regulations in the financial year 2025.

Change of control regulations

Commitments for benefits in the event of premature termination of the employment contract by the Management Board member consequent to a change of control have not been agreed.

There were no changes to these regulations in the financial year 2025.

Maximum remuneration

The existing contracts for the Management Board members do not specify a maximum remuneration, but they do include caps on the STI and LTI. Compliance with the maximum remuneration limit of the remuneration system can only be fully assessed once all SARs have been exercised. The granted remuneration did not exceed the maximum remuneration limit of the remuneration system for any Management Board member in the financial year 2025. A final review of the maximum remuneration will be conducted in subsequent reports following the final settlement of the LTI remuneration.

Remuneration of the Supervisory Board Members in Financial Year 2025

The members of the 1&1 AG Supervisory Board in the financial year 2025 were as follows:

Supervisory Board members as of 31 December 2025

- **Kurt Dobitsch**, Chairman of the Supervisory Board
(since 16 October 2017; Chairman of the Supervisory Board since 16 March 2021; member of "Audit and Risk Committee" since May 2021)
- **Norbert Lang**
(since 12 November 2015, Deputy Chairman of the Supervisory Board since 16 May 2023, Chairman of the Audit and Risk Committee since May 2021)
- **Matthias Baldermann**
(since 26 May 2021, member of the "Audit and Risk Committee" since May 2023)
- **Vlasios Choulidis**
(since 12 January 2018)
- **Friedrich Jousen**
(since 16 May 2023)
- **Christine Schöneweis**
(since 16 May 2023)

The 1&1 AG Supervisory Board presented the current remuneration system for Supervisory Board members during the Annual General Meeting on 14 May 2025 and requested a resolution for its adoption. The remuneration system was approved by 99.98 per cent of the votes cast and applies from the financial year 2025.

Each Supervisory Board member receives fixed remuneration of €45 thousand per financial year, in accordance with the remuneration system. The Chairman of the Supervisory Board receives €55 thousand, and the Deputy Chairman of the Supervisory Board receives €50 thousand. Supervisory Board members who belong to the Supervisory Board or act as Chairman of the Supervisory Board or Deputy Chairman of the Supervisory Board for only part of the financial year receive the fixed remuneration *pro rata temporis*, rounded up to full months.

Every member of the Supervisory Board also receives an attendance fee of €1,000 for each participation in in-person meetings of the Supervisory Board. Insofar as meetings of the Supervisory Board do not take place in-person, but only virtually (in particular, if a meeting takes place only by telephone or only by video conference), the members of the Supervisory Board do not receive any attendance fee if the meeting does not last longer than one hour; half of the attendance fee if the meeting lasts longer than one hour, but less than two hours; and the full attendance fee if the meeting lasts two hours or more. Members who do not personally attend in-person meetings of the Supervisory Board (such as participation by telephone or video conference) always receive only 25 per cent of the attendance fee; participation solely in the form of submission of a voting message does not give rise to any entitlement to an attendance fee.

The Chairman of the Audit and Risk Committee receives an additional €20 thousand per year and every other member of the Audit and Risk Committee receives an additional €15 thousand per year for their service on the Audit and Risk Committee. A member of the Supervisory Board who is a member of the Audit and Risk Committee or has chaired the Audit and Risk Committee for only part of the financial year receives the additional remuneration *pro rata temporis*, rounding up to full months. The Company must support the members of the Audit and Risk Committee in obtaining necessary training and further education and must also bear the costs incurred for any such measures in a reasonable scope.

In addition to his duties as a member of the Supervisory Board, Mr Friedrich Jousen also receives remuneration for consultancy services provided to 1&1 Versatel. The total annual consultancy fee is €600 thousand; as 1&1 Versatel is included in the Consolidated Financial Statements of 1&1 AG, €50 thousand was incurred during this period.

The table below shows the remuneration granted and owed individually to the Supervisory Board members. The remuneration components are disclosed according to the following principles:

- The fixed remuneration for the Supervisory Board and for membership in any committees is disclosed as "granted and owed" in the financial year in which the activity/service on which the remuneration is based was fully performed, regardless of the time of inflow or payment.
- The same applies to the attendance fee. The attendance fee granted for Supervisory Board meetings is also disclosed as "granted and owed" in the financial year in which the activity/service on which the remuneration is based was fully performed, regardless of the time of inflow or payment. The attendance fee is regarded as variable remuneration.

Remuneration granted to the Supervisory Board members

| in €k | | Fix | Attendance fee | Total | Proportion Fix / Var |
|----------------------|-------------|------------|-------------------|------------|-------------------------|
| | 2025 | 70 | 5 | 75 | 93 % / 7 % |
| Kurt Dobitsch | 2024 | 70 | 4 | 74 | 95 % / 5 % |
| | 2025 | 70 | 5 | 75 | 93 % / 7 % |
| Norbert Lang | 2024 | 70 | 4 | 74 | 95 % / 5 % |
| | 2025 | 60 | 5 | 65 | 92 % / 8 % |
| Matthias Baldermann | 2024 | 60 | 4 | 64 | 94 % / 6 % |
| | 2025 | 45 | 5 | 50 | 91 % / 9 % |
| Vlasios Choulidis | 2024 | 45 | 4 | 49 | 92 % / 8 % |
| | 2025 | 45 | 5 | 50 | 91 % / 9 % |
| Friedrich Jousen | 2024 | 45 | 4 | 49 | 92 % / 8 % |
| | 2025 | 45 | 5 | 50 | 90 % / 10 % |
| Christine Schöneweis | 2024 | 45 | 4 | 49 | 92 % / 8 % |
| | 2025 | 335 | 29 | 364 | 92 % / 8 % |
| Total | 2024 | 335 | 24 | 359 | 93 % / 7 % |

In compliance with the requirements of Section 162 (1) sentence 2, no. 2 AktG, the following table shows the annual change in the remuneration of the Management Board members, the Supervisory Board members and the total workforce (employees of the 1&1 Group worldwide, excluding the members of the Management Board of the (single) company 1&1 AG) as well as the annual change in the revenue and earnings figures of the group and the earnings of the (single) company.

Comparative presentation

| | Change 2025 over 2024 | Change 2024 over 2023 | Change 2023 over 2022 | Change 2022 over 2021 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Remuneration of the Management Board members | | | | |
| Ralph Dommermuth | 0.0% | 0.0% | 0.0% | 0.0% |
| Sascha D'Avis ^(c) | - | - | - | - |
| Markus Huhn ^(d) | - | -8.2% | +25.2% | -1.3% |
| Alessandro Nava | +531.7% | -6.2% | +21.2% | -1.1% |
| Remuneration of the Supervisory Board Members | | | | |
| Kurt Dobitsch | +1.4% | 0.0% | 0.0% | +12.1% |
| Norbert Lang | +1.4% | 0.0% | +2.9% | +13.1% |
| Matthias Baldermann | +1.6% | 10.3% | +18.4% | +75.0% |
| Vlasios Choulidis | +1.0% | 2.1% | -2.0% | 0.0% |
| Friedrich Jousen ^(a) | +1.0% | 63.3% | - | - |
| Christine Schöneweis ^(a) | +2.0% | 63.3% | - | - |
| Dr. Claudia Borgas-Herold ^(b) | - | - | -60.9% | +10.3% |
| Kai-Uwe Ricke ^(b) | - | - | -61.1% | +3.8% |
| Remuneration of employees | | | | |
| Ø Remuneration of the total workforce (on an FTE basis) | +2.4% | +5.3% | +6.5% | +7.0% |
| Corporate Development | | | | |
| Revenue in the Group | +1.8% | -0.8% | +3.4% | +1.4% |
| EBITDA (operating) in the Group | -9.0% | -9.6% | -5.7% | +3.2% |
| Annual result of the single company | -39.8% | +1.4% | n.a. | n.a. |

(a) Entry during fiscal year 2023

(b) Exit during fiscal year 2023

(c) Entry on 1 January 2025

(d) Exit on 31. December 2024

External (horizontal) comparison

According to GCGC (Recommendation G.3), the Supervisory Board should select a suitable peer group of companies (and disclose the companies in the selected group) to assess the customary nature of the specific total remuneration of the members of the Management Board in comparison to other companies.

The 1&1 AG Supervisory Board uses all companies that are also listed on the TecDax at the time of the survey as comparative companies to assess the specific total remuneration of the members of the Management Board.

At the last review, these companies were: Aixtron SE, Bechtle AG, Cancom SE, Carl Zeiss Meditec AG, Com-pugroup Medical SE &Co. KGaA, Deutsche Telekom AG, Drägerwerk AG & Co. KGaA, Eckert & Ziegler Strah-len- und Medizintechnik AG, Evotec SE, freenet AG, Infineon Technologies AG, Jenoptik AG, LPKF Laser & Electronics AG, MorphoSys AG, Nemetschek SE, New Work SE, Nordex SE, Pfeiffer Vacuum Technology AG, QIAGEN NV, S&T AG, SAP SE, Sartorius Aktiengesellschaft, Siemens Healthineers AG, Siltronic AG, Software Aktiengesellschaft, TeamViewer AG, Telefónica Deutschland Holding AG and Varta AG.

Montabaur, 17 March 2026



Kurt Dobitsch



Ralph Dommermuth



Sascha D'Avis



Alessandro Nava

1&1 Aktiengesellschaft

Investor Relations Corner

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Investor Relations Corner

Investor Relations

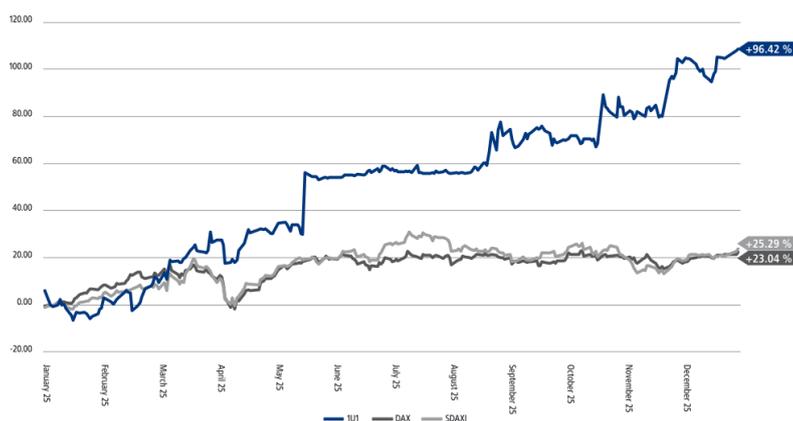
1&1 AG's capital market communication follows the Fair Disclosure principle, ensuring that all shareholders and interested parties are informed of significant developments simultaneously and equally. This continuous work can be tracked by all investor groups on our Investor Relations website, where all relevant reports and publications are available. Many interested parties also reach out personally by email and/or phone.

Stock Performance

Stock Performance During the Trading Year

| | 2024 year end | 2025 year end | Change in % |
|--------|---------------|---------------|-------------|
| 1&1 | €12.60 | €24.75 | 96.43 |
| DAX | 19,909.14 | 24,490.41 | 23.01 |
| SDAX | 13,711.33 | 17,174.73 | 25.26 |
| TecDAX | 3,417.15 | 3,622.27 | 6.00 |

Performance of the 1&1 share compared with the DAX and SDAX (January to December, indexed)*



* The indices and 1&1 share show performance that has not been adjusted for dividends

Current Analyses

Current Analyst Appraisals (Last revised 6 March 2026)

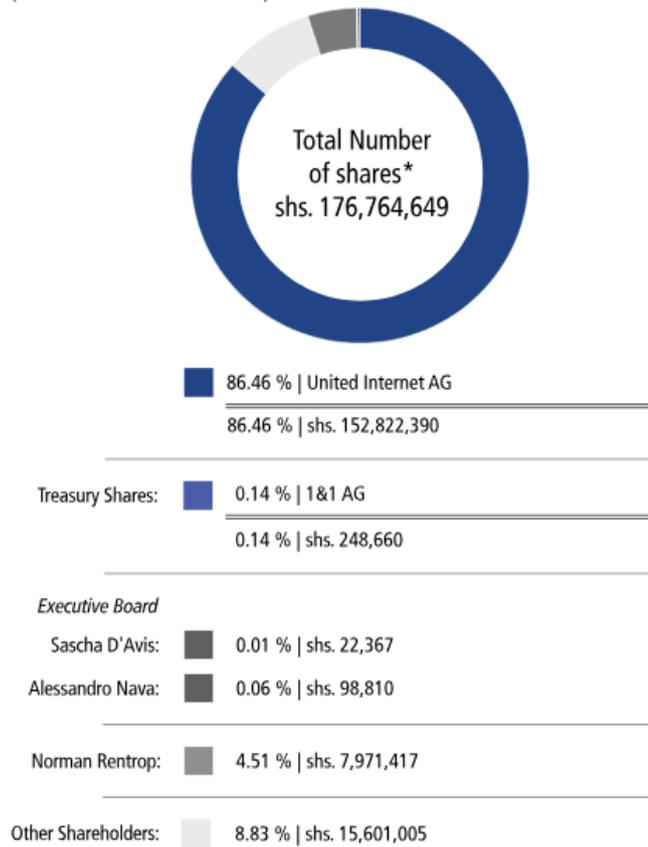
The 1&1 share is regarded as promising in the capital market, thanks to its strong strategic position in the German telecommunications market.

| Analysis | Rating | Price target | Date |
|-----------------|---------------|---------------------|------------------|
| Barclays | "Neutral" | €19.00 | 27 February 2026 |
| Goldman Sachs | "Buy" | €26.20 | 27 February 2026 |
| Newstreet | "Sell" | €7.00 | 27 February 2026 |
| UBS | "Neutral" | €27.60 | 9 February 2026 |
| Berenberg | "Buy" | €31.00 | 15 January 2026 |

An up-to-date overview of analyst recommendations can be found on the 1&1 AG Investor Relations website: <https://www.1und1.ag/investor-relations-en>

Shareholder structure

(Last Revised 31 December 2025)



Free Float as per definition of Dt. Boerse AG: 13.40 % | shs. 23,693,599

* Presentation of the total positions shown above, based on the most recent notification of voting rights in accordance with Sections 33 ff of the German Security Trading Act. Accordingly, only voting rights notifications that have reached at last the first notification threshold of 3 % are taken into account.

Source: <https://www.1und1.ag/investor-relations-en>

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Glossary of Terms

4G

4G is the successor to UMTS (see also LTE). Following the deactivation of the 3G standard in 2021, all network operators have focused exclusively on the fourth and fifth generations

5G

The fifth-generation mobile communications standard. As the successor to 4G, it has been available in selected major cities since 2020 and enables data transfer rates of up to 10 Gbps.

5G Antenna

A device for transmitting and receiving 5G spectrum. It is housed on a transmission mast and consists of up to 64 individual antennas (known as multi-beams) which can be controlled individually to offer very high transmission capacities. This technology is known as "Massive Multiple Input, Multiple Output", abbreviated to "Massive MIMO".

5G Fixed Wireless Access (5G FWA)

Broadband technology based on 5G, where internet access is provided wirelessly via the mobile network instead of via fixed lines (fibre, (V)DSL, or cable). To receive data via 5G FWA, a 5G router is required to convert the 5G signal into a WLAN/Wi-Fi signal.

ADSL (Asymmetric Digital Subscriber Line)

ADSL is the most widespread DSL variant in Germany, commonly referred to simply as DSL. ADSL is implemented via existing telephone lines (subscriber lines).

Aktiengesetz (German Stock Corporation Act / AktG)

The German act that regulates the structure and governing bodies of stock corporations (Aktiengesellschaften), such as the Supervisory Board, Management Board, and shareholder rights.

Share Index

The Share Index provides comprehensive information on price trends in the stock markets. An example for the German stock market is the DAX (German Stock Index),

which factors in price changes and dividend payments.

Apps

Apps is short for "applications" (also mobile apps). These are small software programs for mobile end devices such as -> smartphones or -> tablets. They range from simple tools and entertainment apps to comprehensive functional software packages.

Supervisory Board

The Supervisory Board is responsible for monitoring the management of a corporation. In a stock corporation, it consists of at least three members who must not be members of the Management Board. It is elected by the Annual General Meeting.

ARPU

(ARPU = Average Revenue Per User) Indicates the average revenue generated per customer.

Bandwidth

The spectrum range in which electrical signals are transmitted. Each transmission channel has a lower (1) and an upper (2) cut-off frequency. The unit of bandwidth (B= 2-1) is measured in Hertz (Hz). The higher the bandwidth, the more data can be transmitted in parallel.

BNetzA

(BNetzA = Federal Network Agency) The supreme German regulatory authority responsible for competition in the five network markets: electricity, gas, telecommunications, post, and rail. In addition to moderating arbitration proceedings, its tasks include the allocation of spectrum.

Federal Cartel Office (Bundeskartellamt)

An independent competition authority whose task is to protect competition in Germany.

Campus Network

An exclusive mobile network for a defined local company site. The Federal Network Agency allocates specific 5G spectrum to industrial companies for the establishment of campus networks.

Cash Flow

The net inflow of all liquid funds generated from sales activities and other current activities during a period.

Cloud

A network consisting of a large number of globally interconnected servers. It is used, among other things, to store or manage data. Instead of accessing files on a local computer, content in the cloud can be accessed from any internet-enabled device. This ensures, for example, that users also have mobile access to their data.

Cloud Computing

An internet-based service designed to outsource IT infrastructures and services to external providers. These are no longer maintained on-site but are leased. Consequently, these services can be accessed any time and from any location.

Corporate governance

Guidelines (Code of Conduct) for sound and responsible corporate management.

COTS Hardware

COTS (Commercial Off-The-Shelf) describes serial-production hardware and electronic products that are built and sold in large quantities in identical configurations – so-called standard hardware.

Credit Customer

A customer with a tariff specified by 1&1, billed once a month via the company's own billing system.

Debit Customer

A customer billed via a network operator's prepaid system, which requires a previously uploaded credit balance.

Digital Sovereignty

The ability of individuals, companies, or states to use, control, and shape digital technologies independently, without depending external providers, foreign states, or monopolistic structures.

Directors' Dealings

Share transactions carried out by the Management Board or Supervisory Board, and the corresponding mandatory disclosures of these holdings.

DCF

(DCF = Discounted Cash Flow) An analysis based on the sum of all projected future

cash flows, discounted to their present value.

Dividend

The portion of profit distributed per share by a stock corporation. The Annual General Meeting decides on the dividend amount and payment.

EBIT

(EBIT = Earnings Before Interest and Taxes) A measure of a company's profit that includes all expenses except interest and income tax expenses.

EBITDA

(EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation) The most important key performance indicator showing earnings before interest, taxes, depreciation, and amortisation.

EBITDA aL

(EBITDA aL = Earnings before Interest, Taxes, Depreciation and Amortisation after Lease) EBITDA after depreciation on capitalised usage rights and interest expense on capitalised lease liabilities.

Real-Time Applications

Applications that perform tasks simultaneously or near-simultaneously to the corresponding event and are therefore considered time-critical. The central criterion is a reaction time (latency) of only a few milliseconds.

Edge Data Centres

Relatively small data centres at the "edge" of a network, located in the immediate vicinity of consumers and devices. In an Open RAN setup, hundreds of edge data centres form the heart of the network. This is how the network is deployed within a private cloud. These edge data centres are located at distances of less than 10 km from the antenna sites and are connected via fibre-optic links. Applications running on these systems benefit from very short transmission paths, which are indispensable for real-time applications.

E-Health

(E-Health = Electronic Health) A collective term for the use of digital technologies in the healthcare sector. This involves the application of Information and Communication Technologies (ICT) for the purposes of

prevention, diagnosis, treatment, monitoring, and administration. 5G is considered a key driver of these developments.

EPG

Electronic Program Guide

Issuer

An issuer is the entity that issues securities.

Earnings per share (EPS)

This key performance indicator (KPI) represents the portion of the consolidated net profit or loss attributable to an individual share. The KPI is calculated by dividing the net result for the year (consolidated net profit/loss) by the weighted average number of shares outstanding.

Free Float

The number or proportion of shares not held by strategic investors which are freely tradable on the stock exchange.

Frequency

The number of repetitions per unit of time in a periodic process. In telecommunications, these repetitions occur in the form of radio waves and are measured in hertz (Hz).

Spectrum Auction

The procedure used by the Federal Network Agency to award licenses for using mobile frequency ranges to mobile network providers. The auction ends with the last bid submitted by the participating companies. The 5G auction in 2019 lasted a record three months and generated total proceeds of €6.5 billion for the German state.

Frequency Spectrum

The complete range of different frequencies contained within a signal.

Friendly User Test

A group of interested participants who test a product or service under real-world conditions ahead of the official commercial launch. This provides valid test data and evaluations regarding the functionality of a product or service before it is made available to the general public.

Tower Companies

Companies whose business model is based on leasing available antenna masts to network operators for shared use (known as co-location sites). Furthermore, the range of services provided by tower

companies includes the construction of new antenna sites on behalf of network operators (known as build-to-suit sites).

Cell

A cell is the area in which a signal transmitted by a mobile network facility can be received and decoded without error.

GHz

(GHz = Gigahertz) Hertz is used to indicate the number of repetitions per second in a periodic signal. One kilohertz (kHz) corresponds to 1,000 Hertz, one megahertz (MHz) to 1,000,000 Hertz, and one gigahertz to 1,000,000,000 Hertz. The spectrum used for 5G and sold in the 2019 spectrum auction is in the 3.6 GHz band.

Fibre-optic

Fibre-optic connectivity offers the highest current transmission rates of up to 100 Gbps and is therefore the foundation for the success of the new 5G mobile communications standard. Data is transmitted by means of light particles (photons). In contrast to copper cables, which require electrical pulses for data transmission, there are no signal losses due to distance or weather conditions.

g~paid

A virtual cash card system that ensures the secure distribution of activation codes for topping up prepaid cards (e.g., for mobile communications or online payment systems).

GPRS

(GPRS = General Packet Radio Service) A technology for higher data transfer rates in GSM networks (up to 114 kbps).

GSM

(GSM = Global System for Mobile Communications) The pan-European standard for digital mobile communications.

HSDPA

(HSDPA = Highspeed Downlink Packet Access) A transmission method within the UMTS mobile communications standard that increases the data rate from the telecommunications network to the end device (downlink) to up to 7.2 Mbps.

HSUPA

(HSUPA = Highspeed Uplink Packet Access) A transmission method within the UMTS mobile communications standard

that increases the data rate from the end device to the telecommunications network (uplink) to up to 5.8 Mbps.

IFRS

(IFRS = International Financial Reporting Standards) A collection of international accounting standards and regulations for financial reporting.

IoT

(IoT = Internet of Things) A collective term for the increasing physical and virtual networking of objects via the internet. Everyday objects, items, or machines are fitted with processors and sensors, so they can communicate with one another via IP networks. In industry particularly, the networking of intelligent machines is an essential driver of digital transformation (Industry 4.0). 5G is considered a key factor for future technologies in the field of IoT.

IPTV

(IPTV = Internet Protocol Television) The transmission of television programmes over an internet connection.

Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement is the liquidity-oriented component of financial accounting. It involves the valuation of cash flows within a financial year, categorised into cash flows from operating, investing, and financing activities. In this statement, cash inflows and outflows for the respective reporting period are compared to derive and explain the change in cash and cash equivalents.

Latency

The time data remains within a network – the time it takes for a data packet to travel from the sender to the receiver.

Low-band spectrum

Low-band spectrum refers to frequencies below 1 GHz. They are particularly suitable for wide-area coverage and are also indispensable in urban regions for providing indoor service. While low-band spectrum offers long range, it delivers comparatively lower data speeds.

LTE

The term LTE (Long Term Evolution) refers to the internationally standardised further development of the mobile communication technology established up to that point and offers higher data rates than

GSM or UMTS. LTE is still classified as part of the 3rd generation of mobile communications and is chronologically designated as 3.9G. Only the further development, LTE-Advanced, is referred to as 4G.

MBA MVNO

(MBA MVNO = Mobile Bitstream Access Mobile Virtual Network Operator) An MBA MVNO is a telecommunications provider similar to a standard MVNO (see MVNO); however, unlike an MVNO, it commits to purchasing network capacity (a fixed percentage of a network operator's total capacity). An MBA MVNO operates on an equal footing with the network operator and enjoys unrestricted access to all current and future technologies.

Migration

The process of transferring all existing 1&1 mobile customers to the Company's own network infrastructure. This transition is seamless and, in the majority of cases, requires no additional action. Customer migration will conclude by the end of 2025. In areas where the new 1&1 5G network does not yet provide coverage, Vodafone national roaming automatically takes over – this exclusive partnership between the two operators launched in August 2024. Simultaneously, wholesale services currently sourced from Telefónica are being phased out entirely.

MIMO

(MIMO = Multiple Input, Multiple Output) A transmission method for communication using multiple antennas at both the transmitter and receiver ends. MIMO uses intelligent antenna technology that combines available antennas to minimise data transmission errors and optimise transmission speeds. 5G uses Massive MIMO, which helps providers scale their networks to support higher data volumes.

Mobile Services

Following the launch of the first "5G at Home" service (see 5G FWA) in December 2022, 1&1 activated mobile services on its innovative 5G network on 8 December 2023. Consequently, Europe's first Open RAN is fully operational and available for use on the move with mobile devices such as smartphones and tablets.

Mobile Discounters

Providers of low-cost mobile tariffs without handset subsidies, offering transparent

terms. These typically feature no monthly base fees, no minimum spend, and no fixed contract terms.

Mobile Payment

In mobile payment (or M-payment), the payer uses a mobile electronic communication device to initiate, authorise, or execute at least one stage of the payment process. Examples include purchasing cash cards via g~paid, paying for parking by mobile phone, or conducting bank transfers via SMS.

MVNO (Mobile Virtual Network Operator)

A private telecommunications company without its own mobile network that markets mobile services, SIM cards, mobile devices, and value-added services (e.g., SMS, Premium SMS, MMS) under its own brand and for its own account. These services are based on the purchase of standardised, unbundled wholesale services.

National Roaming

Nationwide access to third-party networks granted to a new entrant during the rollout phase of its own network infrastructure.

Near Field Communication (NFC)

Near Field Communication (NFC) facilitates the contactless exchange of data over short distances of a few centimetres via electromagnetic induction. Industries use this technology for purposes such as cashless payments or ticket purchases. (Source: <http://www.elektronik-kompensium.de/sites/kom/1107181.htm>)

Network Slicing

The partitioning of a physical network infrastructure into various virtual network elements. This technology increases network flexibility, allowing operators to offer specific functions tailored to individual applications.

No-frills Providers

Providers offering products that are comparatively inexpensive and include few extras. In the mobile communications market, analysts often refer to discounters as "no-frills providers".

RAN

(RAN stands for Radio Access Network). In mobile communications, base stations communicate with end devices via radio

signals using specific transmission technologies such as LTE or UMTS. The overall technical link between end devices and the core network is known as the Radio Access Network – RAN.

Open RAN Setup

Unlike a traditional closed RAN, Open RAN strictly distinguishes between hardware and software. All network functions reside in the private cloud. Data centres exclusively use standard off-the-shelf servers (COTS hardware). Standardised interfaces allow operators to combine network components from the market's best and most secure vendors. This eliminates dependency on dominant suppliers such as HUAWEI. Also, the cloud-native setup renders costly hardware upgrades at base stations obsolete, as software updates handle these efficiently. All antenna sites connect to fibre-optic links and feature gigabit antennas. Edge data centres in close proximity to the antenna sites enable real-time transmissions.

O-RAN ALLIANCE

A consortium of approximately 30 international mobile network operators committed to the use of open and intelligent Radio Access Networks (RAN). Founded in February 2018, the O-RAN ALLIANCE has evolved into a global community of mobile operators, vendors, and research and academic institutions active in the RAN sector. The Alliance aims to direct the RAN industry towards intelligent, open, virtualised, and fully interoperable mobile networks. The O-RAN ALLIANCE's core tasks include the continuous specification of O-RAN interfaces.

PIN

(PIN = Personal Identification Number) Usually a four-digit sequence of numbers stored on a data carrier used to authenticate a user to a machine. The most common examples include debit cards at ATMs or SIM cards in mobile phones. If authentication fails due to multiple incorrect entries, the system blocks the card. Further use then requires the entry of a PUK.

Postpaid

A billing model in which the customer pays for services used at the end of the billing period upon receipt of an invoice.

Prepaid

A billing model in which the customer can only access services once they have credited a corresponding balance to a (prepaid) account.

PUK

(PUK = Personal Unblocking Key) Typically an 8-digit sequence of numbers used to unblock a blocked PIN (also referred to as a "Super-PIN").

Roaming

A service that allows customers to make calls and use data via the networks of different operators, such as international roaming within the pan-European GSM system.

SDAX

The SDAX (derived from Small-Cap DAX) is a German stock index introduced by Deutsche Börse AG on 21 June 1999.

SIM

(SIM = Subscriber Identity Module) A smart card inserted into a mobile phone or other mobile device. It assigns the device to the user, authenticates them via a PIN, and grants access to the services offered (e.g., mobile communications). In addition to network-specific data, a SIM card can also store information such as address book entries or SMS messages.

Smart City

Development concepts aimed at making cities more efficient and digital through technical innovation. Here too, 5G serves as the key to numerous applications.

Smartphone

A mobile phone that offers greater computing functionality and connectivity than a conventional mobile phone. Equipped with a high-resolution touchscreen and internet connectivity via mobile broadband or WLAN, smartphones allow users to view, for example, websites and send or receive emails.

SMS

(SMS = Short Message Service) Digital short messages, such as text, sent via a mobile device.

Tablet Computer

A tablet computer (or tablet PC) is a portable, flat, and lightweight computer equipped solely with a touchscreen and no mechanical keyboard. As with a smartphone, internet connectivity is provided via mobile broadband or wireless LAN. Tablet computers are primarily used as mobile media players, e-books, and for mobile internet access.

TecDAX

A stock market index introduced on 24 March 2002. It comprises the 30 largest companies in the technology sector within the Prime Standard, below the blue-chip DAX, based on market capitalisation and order book turnover. The index is calculated as both a price index and a performance index.

UMTS

(UMTS = Universal Mobile Telecommunications System) The international third-generation (3G) mobile communications standard.

Value Added Services (VAS)

Services that offer additional functionality beyond standard voice and data, such as mobile ringtones.

VDSL

(VDSL = Very High-Speed Digital Subscriber Line). VDSL is a DSL technology that offers higher data transfer rates over telephone lines than, for example, ADSL.

Video-on-Demand (VoD)

A service that allows users to download digital videos on request from an online platform or view them directly via streaming.

Security Identification Number (Wertpapierkennnummer – WKN)

A six-digit alphanumeric code used in Germany to uniquely identify securities (international equivalent: ISIN).

Workflow Management System

The automation of production and business processes using IT systems and specialist software.

Announcements, information and ordering service

This report is also available in German.

You can view and download our annual and quarterly reports, ad hoc announcements, press releases and other publications on the 1&1 AG website at www.1und1.ag/investor-relations-en.

Please use our online ordering service on our website at www.1und1.ag/investor-relations-en#bestellservice

Naturally, we would also be happy to send you the desired information by post or by mail. We will be glad to help you with any personal queries by telephone.

Financial calendar*

| | |
|-------------------------|---|
| 19 March 2026 | 2025 Annual Report, Press and Analyst Conference |
| 12 May 2026 | Quarterly Statement Q1 2026 |
| 20 May 2026 | Annual General Meeting |
| 06 August 2026 | 6 Month Report 2026, Press and Analyst conference |
| 12 November 2026 | Quarterly Statement Q3 2026 |

*These dates are provisional and subject to change.

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Note

Rounding-off differences to the mathematically precise values (monetary units, percentages, etc.) may be listed in tables and in references because of the applied computational methods.

To facilitate the readability of the text, this report does not use feminine grammatical structures in addition to the masculine forms. 1&1 points out that the use of the masculine forms must be explicitly understood to include all genders. This quarterly release is available in German and English. Both versions are available for download at www.1und1.ag. In case of doubt, the German version prevails.

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Disclaimer

This report contains future-oriented statements that reflect the current views of 1&1's Management Board with regard to future events. These future-oriented statements are based on our plans, estimates and expectations as currently valid. Future-oriented statements are accurate solely in light of circumstances prevailing at the time they are made. Such projections are subject to risks and uncertainties as well as other factors, many of which are beyond the control of 1&1, that could cause actual results to differ materially from these projections. These risks, uncertainties and other factors are described in detail in our Risk report in 1&1 AG's annual reports. 1&1 AG does not intend to update any such future projections.

1&1 AG Brands



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