



# Half-Year Report 2024

# Facts & Figures

Selected Performance Indicators	HY1 2024	HY1 2023	Change	Q2 2024	Q2 2023	Change	Q1 2024	Q4 2023	Q3 2023
	<b>Profit (in €m)</b>								
Sales revenue	2,015.9	1,993.1	1.1%	991.5	972.1	2.0%	1,024.4	1,064.9	1,038.7
Service revenue	1,644.9	1,584.6	3.8%	823.0	795.7	3.4%	821.9	824.3	834.3
Hardware and other revenues	371.0	408.5	-9.2%	168.5	176.4	-4.5%	202.5	240.6	204.4
<b>EBITDA</b>	<b>326.6</b>	<b>352.0</b>	<b>-7.2%</b>	<b>144.3</b>	<b>169.9</b>	<b>-15.1%</b>	<b>182.3</b>	<b>142.7</b>	<b>159.1</b>
EBITDA segment Access	437.6	392.8	11.4%	212.9	191.5	11.2%	224.7	201.3	192.1
EBITDA segment 1&1 Mobile Network	-111.0	-40.8		-68.6	-21.6		-42.4	-58.6	-33.0
<b>EBIT</b>	<b>196.1</b>	<b>254.1</b>	<b>-22.8%</b>	<b>78.2</b>	<b>120.7</b>	<b>-35.2%</b>	<b>117.9</b>	<b>92.1</b>	<b>109.6</b>
EBIT excluding PPA write-offs	224.7	282.7	-20.5%	92.5	135.0	-31.5%	132.2	106.4	123.8
<b>EBT</b>	<b>196.5</b>	<b>257.6</b>	<b>-23.7%</b>	<b>77.7</b>	<b>122.8</b>	<b>-36.7%</b>	<b>118.8</b>	<b>94.9</b>	<b>112.4</b>
EBT excluding PPA write-offs	225.1	286.2	-21.3%	92.0	137.1	-32.9%	133.1	109.2	126.6
Profit per share (in €)	0.77	1.02	-24.5%	0.30	0.49	-38.8%	0.47	0.35	0.42
Profit per share excluding PPA write-offs (in €)	0.89	1.13	-21.2%	0.36	0.54	-33.3%	0.53	0.41	0.47
<b>Cash flow (in €m)</b>									
Net inflow of funds from operating activities	-24.5	23.0		-113.0	-76.8	47.1%	88.5	12.6	190.0
Net outflow of funds in investment sector	69.5	-0.8		138.9	92.6	50.0%	-69.4	56.2	-180.6
Free cash flow	-58.5	-58.0	0.9%	-137.0	-117.6	16.5%	78.5	-149.3	137.2
	<b>30/06/2024</b>	<b>31/12/2023</b>	<b>Change</b>	<b>30/06/2024</b>	<b>31/12/2023</b>	<b>Change</b>	<b>31/03/2024</b>	<b>31/12/2023</b>	<b>30/09/2023</b>
<b>Headcount (incl. management board)</b>									
Total per end of June	3,321	3,320	0.0%	3,321	3,320	0.0%	3,313	3,320	3,244
<b>Customer contracts (in millions)</b>									
Access, contracts	16.35	16.26	0.6%	16.35	16.26	0.6%	16.30	16.26	16.11
of which mobile internet	12.36	12.25	0.9%	12.36	12.25	0.9%	12.29	12.25	12.10
of which broadband (ADSL, VDSL, FTTH)	3.99	4.01	-0.5%	3.99	4.01	-0.5%	4.01	4.01	4.01
<b>Balance Sheet (in €m)</b>									
Short-term assets	1,847.9	1,927.8	-4.1%	1,847.9	1,927.8	-4.1%	1,969.2	1,927.8	2,043.2
Long-term assets	6,074.4	5,812.5	4.5%	6,074.4	5,812.5	4.5%	5,868.7	5,812.5	5,627.4
Equity	6,016.3	5,887.1	2.2%	6,016.3	5,887.1	2.2%	5,970.4	5,887.1	5,825.4
Balance sheet total	7,922.3	7,740.3	2.4%	7,922.3	7,740.3	2.4%	7,837.9	7,740.3	7,670.6
Equity ratio	75.9%	76.1%		75.9%	76.1%		76.2%	76.1%	75.9%

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## Letter from the Management Board



### Dear Shareholders,

The first half of 2024 was challenging at times for 1&1. While we achieved significant milestones in expanding and operating our mobile network, we also faced a setback. We managed to increase our service revenue and the number of customer contracts, we fell short of our ambitious targets.

After launching mobile services on our 5G network at the end of 2023, our focus in 2024 was to start the migration of our 12 million plus existing mobile customers and further expanding the antenna sites. In January we started the customer migration as scheduled.

At the end of May, there was a disruption to the mobile network, which placed a heavy burden on our customers and our team and led to one-off additional expenses.

During the fault clearance of the network, it became apparent that central components were not sufficiently dimensioned for further network growth. This has been largely rectified in the meantime, but the delivery of an already planned capacity expansion has now been delayed. In order to maintain sufficient network capacity for new customer contracts, 1&1 has only migrated a small number of existing customer contracts to the new network since the end of May. Expected savings in the purchase of wholesale services will therefore probably not be realized until October.

The temporary network outage has also slowed down our operational growth. There was an increase in contract terminations, which mainly took effect in June and July. As a result, contract growth in 2024 will be lower than expected, which will be accompanied by lower sales growth, which will also have an impact on earnings.

The expansion of the 1&1 O-RAN network is progressing steadily. We are pleased that deliveries of antenna sites by our expansion partners continue to increase. By the end of the first half year 2024, we had taken over approximately 1,781 radio masts, which we are equipping with gigabit antennas and connecting to fibre optic networks.

Based on standardised interfaces of the innovative Open RAN technology, we flexibly combine the best and most secure products and services from around 100 partners. This marks the end of the outdated model where single manufacturers provided closed systems. In the 1&1 O-RAN, there are no black boxes. We remain committed to forging ahead with this approach.

For 30 years now, 1&1, one of the leading German telecommunications providers, has been a symbol of how innovative and attractive products and service vitalise and mould competition, while simultaneously being recognised for offering good value for its customers' money. Of course, we do not rely on good offerings alone, quality and service are the differentiators for our private and business customers. We were once again delighted to receive an award in the first half of the year that underscores our high standards. 1&1 received a "very good" rating in the 2024 connect test for mobile hotlines. 1&1 excelled notably in the categories of "expertise" and "availability". Our discount brand, yourfone, won the alternative providers category with an "outstanding" rating. Additionally, "1&1 TV" impressed in the IPTV comparison test conducted by the consumer magazine "IMTEST," receiving a "very good" rating with an overall score of 1.2.

### **Now for the operating side of the business**

1&1 has continued its path of growth in financial year 2024 and once again increased its customer base, service revenues and EBITDA in the Access operating segment.

The number of customer contracts increased by 90,000 to 16.35 million contracts (31 December 2023: 16.26 million contracts). This growth was driven by newly acquired mobile internet contracts, which totalled 12.36 million by the end of the second quarter of 2024, while the number of our broadband customers fell slightly to 3.99 million connections.

High-margin service revenues amounted to €1.645 billion in the first half of financial year 2024 (HY1 2023: €1.585 billion), which is 3.8 percent higher than the first half of 2023.

Other sales revenues – essentially from the realisation of hardware sales brought forward (in particular from investments in smartphones that will be reimbursed by the customers over minimum contract terms in the form of higher package prices) declined by -9.2 percent or -€37.5 million to €371.0 million (HY1 2023: €408.5 million). Margins in the hardware business are low. It fluctuates seasonally and its development depends heavily on the attractiveness of new devices and the model cycles of manufacturers.

Total sales of 1&1 AG increased by 1.1 percent or €22.8 million to €2.016 billion (HY1 2023: €1.993 billion).

EBITDA in the operational Access segment increased by 11.4 percent to €437.6 million in the first half of 2024 (HY1 2023: €392.8 million). At the same time, start-up costs for the 1&1 mobile network increased to €-111.0 million (HY1 2023: €-40.8 million). Of this amount, €14.3 million are out-of-period expenses from subsequent invoices for additional services for network expansion in 2022 and 2023. Due to these increased start-up costs, the total EBITDA of 1&1 AG fell by -7.2 percent to €326.6 million (HY1 2023: €352.0 million), or by -3.2 percent to €340.9 million, excluding expenses relating to other periods.

Reduced EBITDA and higher depreciation expenses, particularly following the launch of mobile services on the 1&1 mobile network at the end of 2023, amounting to -€130.4 million (HY1 2023: -€97.9 million), reduced EBIT to €196.1 million (HY1 2023: €254.1 million). Consequently, earnings per share (EPS) in the first half of 2024 were €0.77 (HY1 2023: €1.02). Precluding the effects of the PPA write-offs, the profit per share amounted to €0.89 (HY1 2023: €1.13).

Free cash flow in the first half of financial year 2024 came to €-58.5 million (previous year: -€58.0 million). Free cash flow includes investments in tangible and intangible assets (cash CAPEX) amounting to €34.0 million (HY1 2023: €81.0 million), which primarily relate to the expansion of our mobile network. The lower investment volume compared to the previous year is due to a phasing effect during the year.

On 2 August 2024 we adjusted our forecast for the 2024 financial year. We now expect service revenue to increase by approximately 3 percent to approximately €3.33 billion (previously expected: plus approximately 4 percent to approximately €3.37 billion after €3.243 billion in 2023). EBITDA in the Access operating segment is expected to increase by approximately 9 percent to approximately €860 million (previously expected: plus approximately 12 percent to €880 million, previous year €786.2 million). Start-up costs for the 1&1 mobile network are expected to amount to approximately -€174 million due to €14.3 million in out-of-period expenses (previously expected: approximately -€160 million after -€132.4 million in 2023).

Overall, EBITDA in 2024 is expected to amount to around €686 million, or €700 million excluding prior-period expenses (previously expected: around €720 million after €653.8 million in 2023).

We now expect the investment volume (cash capex) to be around €460 million (previously expected: around €380 million after €295.6 million in 2023). This is due to the build-up of our own inventory of network components, which were previously stockpiled by expansion partners.

1&1 is well positioned for the next steps in the Company's development. We are optimistic about the future. We would like to express our special thanks to all of our employees for their commitment and work and to our shareholders and business partners for the trust they have placed in 1&1.

Best regards from Montabaur,



Ralph Dommermuth



Markus Huhn



Alessandro Nava

Montabaur, August 2024





# Interim Management Report of 1&1 Aktiengesellschaft for the First Half of 2024

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# Principles of the Group

## Business Model

### **1&1 – only MBA MVNO on the German mobile market and rollout of the 1&1 mobile network**

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 Group is managed via two business segments: Access and 1&1 mobile network.

### **Group structure, strategy and management**

For information concerning the Group structure, strategy and management, please refer to the explanations in the consolidated management report of 1&1 AG for financial year 2023. There have not been any significant changes here from the perspective of the Group.

### **Business activities**

Chargeable contracts with 16.35 million subscribers make 1&1 one of the leading providers of broadband and mobile services products in Germany.

Company management and group reporting encompass the Access segment and 1&1 mobile network.

### **Access segment**

The Group's chargeable mobile Internet and broadband products, including the related applications (such as home networks, online storage, telephony, smart home or IPTV) are grouped together in the Access segment. 1&1 uses the landline network of its affiliate 1&1 Versatel GmbH, which, like 1&1, is also part of the United Internet AG Group, and can also market regional networks and broadband household lines from city carriers and Deutsche Telekom pursuant to an agreement with 1&1 Versatel. The bundled packages provided by 1&1 Versatel are supplemented with devices, own developments of applications and services to create an extended portfolio that sets the Company apart from its competitors.

Since the launch of mobile services in the 1&1 mobile network, operating companies in the Access segment have been purchasing wholesale services for new customers from their own network. Wherever 1&1 does not yet have sufficient network coverage itself during the construction of the network, 1&1 utilises national roaming wholesale services from Telefónica. From October 2024 at the latest, these national roaming wholesale services will be available from Vodafone.

Until the launch of mobile services in its own network, 1&1 had access to Telefónica's mobile network in Germany (so-called Mobile Bitstream Access Mobile Virtual Network Operator = MBA MVNO) and utilised capacities of other wholesale providers – e.g. the Vodafone mobile network. The successive migration of these customers to the 1&1 mobile network started at the beginning of 2024.

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.

### **1&1 mobile network segment**

The expenditures and income relating to the construction and operation of the Company's own 1&1 mobile network are disclosed in the 1&1 mobile network segment.

Upon the launch of mobile services in the 1&1 mobile network on 8 December 2023, 1&1 became one of today's four mobile network operators in Germany.

1&1 is the first network operator in Europe to rely entirely on the new Open RAN technology. 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.

The 1&1 mobile network uses the 5G frequencies acquired in 2019 in the 2 GHz and 3.6 GHz bandwidths. While the frequency blocks in the 3.6 GHz bandwidth are already available, the frequency blocks in the 2 GHz bandwidth will not become available until 1 January 2026. To bridge this period, 1&1 has leased additional frequencies in the 2.6 GHz bandwidth from Telefónica until its own frequencies become available.

## General economic and industry-related conditions

### Development of the overall economy

In its updated economic outlook (World Economic Outlook, July 2024 update), the International Monetary Fund (IMF) expects the global economy to grow by 3.2 percent in 2024, following a growth of 3.3 percent in the previous year (January forecast: 3.1 percent).

However, the IMF experts also foresee increasing tensions in global trade and political uncertainty, which could accelerate inflation through higher import prices across supply chains.

During the year, the IMF has revised its economic forecast for the German market down by -0.3 percentage points and now expects economic output to increase by only 0.2 percent in 2024 (previous year: -0.2 percent). This revision is attributed to ongoing weaknesses in production.

### Changes in growth forecasts 2024

	Actual 2023	January-forecast 2024	April-forecast 2024	July-forecast 2024	Deviation from January forecast
Germany	-0.2%	0.5%	0.2%	0.2%	-0.3 percentage points
World economic	3.3%	3.1%	3.2%	3.2%	+0.1 percentage points

Source: International Monetary Fund, World Economic Outlook (Update), January, April and July 2024

### Development of the industry

At its 2024 half-year press conference, the industry association Bitkom attested stable growth for the German ITC industry (ITC = information and communications technology) in a difficult overall economic environment.

The Digital Index, jointly compiled by Bitkom and the ifo Institute, stood at +7.9 points in June. This remains above the ifo Business Climate Index for the overall economy, which is still in negative territory at -6.3 points.

## General legal conditions/Major events

The legal framework conditions for the business activities of 1&1 remained essentially constant in the first half of 2024 compared to financial year 2023 and had no significant impact on the business development of 1&1 Group.

No other significant events with a decisive influence on the course of business occurred in the first half of 2024.

## Employees

As at 30 June 2024, 1&1 Group employed a workforce of 3,321 (31 December 2023: 3,320).

## Course of business

### Development in the Access segment

As in the financial year 2023, 1&1 once again invested in the acquisition of new customers and in the retention of current customer relationships in the first half of 2024. Focus of activities was on the marketing of mobile internet contracts.

This enabled the number of chargeable contracts in the Access segment to increase by 90,000 to 16.35 million in the first six months of 2024. The increase in customer contracts can be attributed to the mobile internet business, which amounted to 12.36 million contracts as of 30 June 2024. Broadband contracts slightly decreased to 3.99 million compared to 31 December 2023.

### Development of Access contracts in the first half of 2024 (in millions)

	30/06/2024	31/03/2024	31/12/2023	Change HY1
Access, total contracts	16.35	16.30	16.26	+ 0.9
of which mobile internet	12.36	12.29	12.25	+ 0.11
of which broadband lines	3.99	4.01	4.01	-0.02

Customer contracts are marketed in the Access reporting segment while the 1&1 mobile network segment produces infrastructure advance services, so external sales revenues are generated exclusively in the Access segment. The segment reporting is aligned with the internal organisation and reporting structure.

As a result of a temporary outage of the 1&1 mobile network at the end of May 2024, there was an increase in contract terminations, which mainly took effect in June and July. As a result, contract growth and the associated growth in service revenue and EBITDA in the first half of 2024 was lower than expected.

By 30 June 2024, revenues in the Access segment increased by €22.8 million to €2,015.9 million (HY1 2023: €1,993.1 million), and the high-margin service revenues included in this line item rose by 3.8 percent to €1,644.9 million (HY1 2023: €1,584.6 million). The rise in service revenue can be attributed to both an increased number of subscribers and higher-value customer contracts. In the Access segment, the cost of materials declined by €33.9 million to €1,284.7 million (HY1 2023: €1,318.6 million). Gross profit from the Access segment revenue increased from €674.5 million to €731.2 million.

Segment EBITDA is at €437.6 million (HY1 2023: €392.8 million).

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

	HY1 2024	HY1 2023	Change HY1
Sales revenue	2,015.9	1,993.1	+ 1.1%
Service revenue	1,644.9	1,584.6	+ 3.8%
EBITDA	437.6	392.8	+ 11.4%

### Quarterly development: Change compared to the previous year's quarter in the Access segment (in €m)

	Q2 2024	Q2 2023	Change
Sales revenue	991.5	972.1	+ 2.0%
Service revenue	823.0	795.7	+ 3.4%
EBITDA	212.9	191.5	+ 11.2%

### 1&1 mobile network segment

In the first half of the financial year 2024, the 1&1 mobile network segment remained focused on the continued expansion of the 5G mobile network.

With the successful launch of mobile services on the 1&1 mobile network on 8 December 2023, 1&1 now operates a fully functional mobile network. Since then, new customers have been directly connected to our network, while the migration of existing customers has been successfully under way since the beginning of 2024.

At the end of May 2024, there was a temporary outage of the 1&1 mobile network and a related under-dimensioning of central components of the 1&1 network was identified. Although the disruption was quickly resolved, it resulted in unforeseen challenges in daily operations. This caused delays in the migration of existing customers, which we plan to recover.

EBITDA in 1&1 mobile network segment was at €-111.0 million (HY1 2023: €-40.8 million). The change results from the planned increase in costs for further expansion and operation of the 1&1 mobile network, as well as the expenditures associated with the migration of existing customers to 1&1's own mobile network. Additionally, scheduled costs were incurred for preparing the connection of the 1&1 mobile network with the Vodafone network within the framework of national roaming. In addition, EBITDA in the 1&1 Mobile Network segment is burdened by out-of-period expenses from subsequent invoices for additional services for network expansion in 2022 and 2023 in the amount of €14.3 million.

€7.7 million of revenue was generated in the first six months of the financial year 2024 through the supply of wholesale mobile services to the Access segment.

Cash Capex stands at €26.5 million (HY1 2023: €74.8 million). The lower investment volume compared to the previous year is due to delayed invoicing by service providers. Planned investment volume is expected to significantly increase throughout the year.

## Position of the Group

### Earnings position in the Group

	HY1 2024 €m	HY1 2023 €m
Sales	2,015.9	1,993.1
Cost of sales	-1,458.7	-1,388.7
<b>Gross profit</b>	<b>557.2</b>	<b>604.4</b>
Distribution costs	-262.9	-254.3
Administration costs	-57.5	-57.1
Other operating income / expenses	18.7	13.5
Impairment losses	-59.4	-52.4
<b>Results from operating activities</b>	<b>196.1</b>	<b>254.1</b>
Financial result	0.4	3.5
<b>Profit before taxes</b>	<b>196.5</b>	<b>257.6</b>
Tax expenses	-60.1	-77.6
<b>Consolidated profit</b>	<b>136.4</b>	<b>180.0</b>

The 1&1 Group continued its growth trajectory in the first half of the financial year 2024. As in previous years, the contract customer business is the growth driver for the 1&1 Group. In the first half of the financial year 2024, it was possible to increase the number of chargeable contracts in comparison with the previous year by 0.6 percent to 16.35 million contracts.

Revenue increased from €1,993.1 million in the first half of 2023 by 1.1 percent to €2,015.9 million in the first half of 2024. The sustainable and high-margin service revenues, which result essentially from the billing of current customer relationships, increased by 3.8 percent to €1,644.9 million. The positive development of service revenues results from the ongoing rise in the number of contract customers and the related monthly payments. The value of the individual contractual relationships has also increased compared to the previous year.

Other revenues, which consist largely of revenues from the realisation of hardware sales (especially from investments in smartphones that are repaid by customers over the contractual minimum term in the form of higher package prices), recorded a decline of 9.2 percent in the first half of 2024 to €371.0 million (HY1 2023: €408.5 million). This business fluctuates seasonally and its development depends heavily on the attractiveness of new devices and the model cycles of manufacturers. Regardless, these revenue fluctuations have no significant impact on EBITDA development.

The cost of sales increased in the first half of 2024 by €70.0 million or 5.0 percent to €1,458.7 million (HY1 2023: €1,388.7 million). The cost of sales in the Access business segment fell by 2.6 percent compared to the previous year and amounted to €1,299.8 million (HY1 2023: €1,334.1 million). The decline in cost of sales in the Access segment is due in particular to the decline in sales of smartphones and other hardware.

The cost of sales in the 1&1 mobile network segment amounted to €166.6 million (HY1 2023: €54.6 million) and essentially related to the costs of setting up, expanding, and operating the 1&1 mobile network. Depreciation in cost of sales amounted to €54.6 million in the first half of 2024, compared to €22.2 million in the first half of 2023. As in the previous year, the cost of sales includes depreciation on mobile licenses amounting to €20.4 million. The cost of sales includes €14.3 million in out-of-period expenses from subsequent invoices for additional services for network expansion in 2022 and 2023.

The gross profit margin came to 27.6 percent (HY1 2023: 30.3 percent). As a result of the higher expenses included in the cost of sales in the 1&1 Mobile Network segment, the gross profit from revenues fell from €604.4 million by 7.8 percent or €47.2 million to €557.2 million.

Due to intensified marketing activities and new advertising campaigns – also in our new position as the fourth network operator in Germany – distribution costs increased by €8.6 million to €262.9 million in the first half of 2024 (HY1 2023: €254.3 million). In relation to revenue, distribution costs in the first half of the financial year 2024 amounted to 13.0 percent (HY1 2023: 12.8 percent).



Administration expenses remained essentially constant over the previous year at €57.5 million, i.e. 2.9 percent of sales revenue (HY1 2023: €57.1 million corresponds to 2.9 percent of sales revenue).

The other result amounts to €18.7 million (HY1 2023: 2023: €13.5 million) and consists of other operating income of €20.2 million (HY1 2023: €16.5 million) and other operating expenses of €1.5 million (HY1 2023: €3.0 million). The increase in other operating income is due in particular to better collection of reminder and chargeback fees.

The impairment on receivables and contract assets amounted to €59.4 million in the first half of the financial year 2024, compared to €52.4 million as of 30 June 2023. In relation to sales revenues, the impairment ratio was 2.9 percent (HY1 2023: 2.6 percent).

As of 30 June 2024, EBITDA amounted to €326.6 million (HY1 2023: €352.0 million). At Group level, EBITDA was 7.2 percent below the value for the comparable period of the previous year due to the constant network expansion and ongoing operation of the 1&1 mobile network and the associated expenses. The EBITDA margin was 17.7 percent as of 30 June 2024, compared to 16.2 percent in the comparable period.

Earnings before interest and taxes (EBIT) amounted to €196.1 million as of 30 June 2024 (HY1 2023: €254.1 million). The EBIT margin came to 9.7 percent (HY1 2023: 12.8 percent). 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 €224.7 million and the EBIT margin was 11.1 percent (HY1 2023: €282.7 million or EBIT margin 14.2 percent). Here, too, the development results primarily from the increased costs in the 1&1 mobile network segment.

Financing expenses amounted €8.5 million (HY1 2023: €4.7 million). The increase results from the higher interest expenses from finance leasing. At €8.9 million, financial income was at the level of the previous year (HY1 2023: €8.1 million) and, as in the previous year, includes in particular interest from the investment of free liquidity at United Internet AG as part of short-term liquidity management.

Earnings before taxes (EBT) came to €196.5 million in the first half of 2024 (HY1 2023: €257.6 million). Tax expenses amounted to €60.1 million (HY1 2023: €77.6 million). The tax rate amounted to 30.6 percent (HY1 2023: 30.1 percent).

The consolidated result in the first half of 2024 amounted to €136.4 million after €180.0 million in the first half of 2023.

The undiluted profit per share in the first six months of financial year 2024 amounted to €0.77 (HY1 2023: €1.02). Excluding the effects of the PPA write-offs, the undiluted profit per share in 2024 amounted to €0.89 (HY1 2023: €1.13).

**Major revenue and profit indicators (in €m)**

	<b>HY1 2024</b>	<b>HY1 2023</b>	<b>Change</b>
Sales revenue	2,015.9	1,993.1	22.8
Service revenue	1,644.9	1,584.6	60.3
EBITDA	326.6	352.0	-25.4
EBIT	196.1	254.1	-58.0

**Financial position in the Group****Development of the key cash flow figures**

<b>€m</b>	<b>HY1 2024</b>	<b>HY1 2023</b>	<b>Change</b>
Cash flow from operating activities	266.2	260.3	5.9
Net inflow of funds from operating activities	-24.5	23.0	-47.5
Cash flow from investments	69.5	-0.8	70.3
Free cash flow	-58.5	-58.0	-0.5
Cash flow from financing sector	-45.4	-22.7	-22.7
Cash and cash equivalents as at 30 June	2.8	4.2	-1.4

The net payments from operating activities in the first half of the year were -€24.5 million (HY1 2023: +€23.0 million). Based on a cash flow from operating activities of €266.2 million (HY1 2023: €260.3 million) the change is due mainly to the higher repayment of liabilities. Contributing to this are the reporting date-related changes in trade payables of -€52.6 million as well as advance payments on taxes on income and earnings of -€85.7 million. The changes in assets and liabilities are therefore below the previous year's figure with a balance of -€290.7 million (HY1 2023: -€237.3 million). As in the previous year, the high cash outflow is primarily due to advance payments as part of the allotment agreement with Deutsche Telekom. These payments are expected to be made on a significantly reduced scale from 2025 onwards.

The cash flow from investments includes investments in intangible and tangible assets in the amount of €34.0 million (HY1 2023: €81.3 million). Investments, which will primarily be made in the 1&1 mobile network, are scheduled to increase over the year 2024 and amount to €460 million for the entire year. Deferrals of €81.1 million were recognised as at 30 June 2024 for assets already in use but for which no final invoice has yet been issued. Also included in the cash flow from investments is the interest received amounting to €11.1 million (HY1 2023: €5.4 million). The interest received is related to the investment of free liquid funds at United Internet; the increase is primarily due to the increase in interest rates.

Free cash flow, defined as net inflow of funds from operating activities less investments in intangible and tangible assets plus inflow of funds from disposals of intangible and tangible assets, amounted to €-58.5 million in the first half of the financial year 2024 and as such was essentially at the level of the first half of the financial year 2023 (HY1 2023: €-58.0 million). As in the previous year, the negative free cash flow is mainly due to one-off payments under the allotment agreement with Deutsche Telekom.

Cash flow from the financing sector included interest paid in the first half of 2024 amounting to €28.9 million (HY1 2023: €2.6 million). The interest paid came mainly from the payments related to the expansion of white spots. In return, 1&1 has committed to deferring the purchase price for the 5G frequencies, which is why these payments are like interest and are therefore classified as financing. In addition, the dividend payment of €8.8 million was made in the first half of the year, as was the case in the first half of 2023, as well as repayments of leasing liabilities of €7.7million (HY1 2023: €11.3 million).

The cash and cash equivalents per 30 June 2024 amounted to €2.8 million (30 June 2023: €4.2 million).

## Assets and liabilities in the group

### Development of assets, liabilities and equity

€m	30/06/2024	31/12/2023	Change
Short-term assets	1,847.9	1,927.8	-79.9
Long-term assets	6,074.4	5,812.5	261.9
<b>Total assets</b>	<b>7,922.3</b>	<b>7,740.3</b>	<b>182.0</b>
Short-term liabilities	675.0	716.6	-41.6
Long-term liabilities	1,231.0	1,136.6	94.4
Equity	6,016.3	5,887.1	129.2
<b>Balance sheet total</b>	<b>7,922.3</b>	<b>7,740.3</b>	<b>182.0</b>

The balance sheet total increased from €7,740.3 million as at 31 December 2023 to €7,922.3 million as at 30 June 2024. On the assets side, the change in the balance sheet total is attributable to a decrease of €79.9 million in current assets and an increase of €261.9 million in non-current assets.

At €2.8 million, cash and cash equivalents are €0.4 million slightly below the 31 December 2023 value of €3.2 million.

Trade receivables increased by 7.8 percent over the previous year to €359.3 million. The increase is due particular to the increasing number of customer contracts and increased sales revenue.

The accounts due from associated companies primarily include receivables related to the investment of free liquidity at United Internet AG. As at the reporting date 30 June 2024, the total of invested liquid funds at United Internet AG amounted to €317.5 million, compared to €410.0 million at the end of 2023. The total accounts due from associated companies €327.7 million as of 30 June 2024, compared to €434.3 as of 31 December 2023.

Due to the scheduled sale of smartphones and hardware, the value of inventories in the first half of the year of 2024 is €126.3 million (31 December 2023: €178.0 million), below the level of the comparable period.

Short-term contract assets primarily include receivables from hardware sales and decreased by €27.0 million compared to the end of the year. Short-term prepaid expenses rose from €250.6 million to €305.3 million and relate essentially to contract costs and prepaid utilisation fees that will not be recognised through expenditures until later periods.

Other financial assets increased from €42.6 million in the previous year to €70.3 million as at June 30, 2024. The increase of €27.6 million is due to higher receivables from advertising cost subsidies as at the reporting date as well as an increase in advance payments made in connection with the network expansion. In the first half of 2024, income tax assets amounted to €9.8 million, staying in line with the same period last year. At €6.4 million, other non-financial assets were below the 2023 year-end level.

Long-term assets increased by €261.9 million to €6,074.4 million. This was partly due to an increase of €149.4 million in tangible assets, primarily due to the balancing of lease rights for rented antenna sites as part of our network expansion. The reduction of €49.0 million in intangible assets compared to the 31 December 2023 is primarily the result of scheduled depreciation of assets identified in the 1&1 purchase price allocation. Goodwill remains unchanged from the previous year at €2,932.9 million. Long-term contract assets stood at €189.9 million as of 30 June 2024 (31 December 2023: €206.5 million).

Long-term prepaid expenses, which essentially include advance payments made within the framework of long-term purchasing contracts as well as long-term costs to obtain and fulfil contracts, had a balance of €787.3 million as of 30 June 2024. This represents an increase of €178.0 million compared to the end of 2023, due to a one-time payment related to the allotment agreement with Deutsche Telekom.

On the liabilities side, the increase in total assets is attributable to €129.2 million in equity €52.8 million in debt. Current liabilities have reduced from €716.6 million in the previous year to €675.0 million, whereas long-term debts have increased from €1,136.6 million to €1,231.0 million.

Trade accounts payables included in current liabilities rose from €277.1 million to €312.7 million. The main reason for this was outstanding payments relating to investments in the 1&1 mobile network. In addition to the liabilities associated with the 1&1 mobile network, trade accounts payables primarily consist of outstanding payments to upstream suppliers. Accounts due to associated companies concern companies of the United Internet Group and amount to €134.7 million (31 December 2023: €165.5 million). The decline is mainly due to accounts payable to 1&1 Versatel.

The current other financial liabilities amount to €144.7 million (31 December 2023: €127.8 million). Current other non-financial liabilities fell to €8.1 million as of 30 June 2024 (31 December 2023: €8.9 million).

Current contract liabilities are unchanged and include short-term liabilities from reimbursement obligations for one-time fees for revoked contracts and deferred income from one-time fees, and amount to €50.8 million (31 December 2023: €51.6 million). Long-term contract liabilities in the amount of €10.8 million (31 December 2023: €11.1 million) include deferred long-term income from one-time fees.

Long-term debt includes other financial liabilities, which have increased by €89.5 million to €965.2 million. The increase is attributed to higher lease liabilities associated with the leasing of antenna sites for the 1&1 mobile network. Included in the long-term other financial liabilities, unchanged from 31 December 2023, are the frequency liabilities amounting to €702.6 million.

Deferred tax amounted to €207.8 million as of 31 December 2023, and €206.0 million as of 30 June 2024.

Group equity rose from €5,887.1 million as at 31 December 2023 to €6,016.3 million as at 30 June 2024. The equity ratio amounts to 75.9 percent as at 30 June 2024 (31 December 2023: 76.1 percent). 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 at the balance sheet date, 1&1 AG holds 465,000 shares in treasury stock (31 December 2023: 465,000), and the issued share capital of 1&1 AG amounts to €193.9 million.

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

Despite a challenging first half of the year, as anticipated, 1&1 successfully increased the number of chargeable contracts by 90,000 to €16.35 million, further underpinning its strong position in the German telecommunications market. The 3.8 percent increase in service revenue also reflects a positive operational performance.

The Company's successful development once again demonstrates the advantages of the 1&1 business model, which is based predominantly on electronic subscriptions with fixed monthly charges and contractually agreed terms. This secures stable and plannable revenues and cash flows, provides protection from

economic fluctuations and opens up financial manoeuvring room so that opportunities arising in existing and new business fields and markets can be exploited.

The Management Board is generally satisfied with the rollout of the mobile network. The construction of the central and local data centres required for the operation of a state-of-the-art and high-performance mobile communications network continues to progress on schedule. Significant progress has also been made in expanding our antenna sites. The migration of existing customers to our mobile network was initiated as planned. However, the disruption in the mobile network at the end of May 2024 underscores the high complexity and challenges of building an entirely new mobile network.

Overall, the Management Board believes that the 1&1 Group remains in an excellent position for further corporate development. 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.

## Risks and opportunities report

The risk and opportunity policy of 1&1 Group 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.

### **Overall statement by the Management Board on the Group's risk and opportunity position**

The assessment of the overall risk position is the result of the consolidated consideration of all significant risk fields or single risks, taking into account interdependencies.

The overall risk and opportunity position remained largely stable in the first six months of 2024 compared with the risk and opportunity reporting in the 2023 consolidated financial statements. No risks to the continued existence of 1&1 as a going concern were identifiable either from single risk positions or from the general risk situation during the reporting period or at the time this half-year financial report was prepared.

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.

In our 2023 annual report on opportunities and risks, 1&1 highlighted the risks associated with the continued development and operation of the 1&1 mobile network. These risks partially materialised in the first half of 2024 due to the network disruption at the end of May. Although we addressed the specific causes of the disruption, the technical complexity of building the mobile network means that future disruptions cannot be entirely ruled out.

Following the disruption, audits identified capacity bottlenecks in the network. As a precaution, 1&1 scaled back customer migration. Although the migration will be completed later, the delay reduces the cost-saving potential of advance services. As planned, the bottlenecks will be eliminated in the course of the year through a planned expansion of capacity.

We are currently negotiating with our expansion partners in response to the network disruption, which could result in compensation payments. These negotiations also involve discussing claims for unplanned additional costs submitted by one of the partners.

## 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 updated economic outlook (World Economic Outlook, July 2024 update), the International Monetary Fund (IMF) expects the global economy to grow by 3.2 percent in 2024 and 3.3 percent in 2025, following growth of 3.3 percent in the previous year. However, the IMF experts also foresee increasing tensions in global trade and political uncertainty, which could accelerate inflation through higher import prices across supply chains.

### Economic Projection – Economic Development (in Percent)

	2025e	2024e	2023
World	+ 3.3	+ 3.2	+ 3.3
Germany	+ 1.3	+ 0.2	-0.2

Source: International Monetary Fund, World Economic Outlook (Update), July 2024

Specifically, the IMF currently expects the global economy to grow by 3.2 percent in 2024 and 3.3 percent in 2025 (previous year: 3.3 percent). In Germany, the IMF expects an increase of 0.2 percent for 2024 and 1.3 percent for 2025.

### Industry/market expectations

At its 2024 half-year press conference, the industry association Bitkom attested stable growth for the ITC industry (ITC = information and communications technology) in a difficult overall economic environment.

The association has updated its forecast for all of 2024, predicting total revenue for the ICT industry to reach €224.8 billion, a 4.3 percent increase. Looking ahead to 2025, growth is expected to remain strong, with a projected 4.7 percent increase, bringing total revenue to €235.4 billion.



As in previous years, the "information technology" submarket is expected to experience the greatest growth. According to current forecasts, IT revenues will reach €151.2 billion in 2024. This corresponds to an increase of 5.4 percent. The strongest increase is expected in software sales, which are expected to rise by 9.8 percent to €46.6 billion. Artificial intelligence is playing an increasingly important role within this segment, with huge growth of 39.2 percent to €1.5 billion. Collaboration tools, i.e. applications for cooperation and mobile working, are also posting sales of €1.3 billion, an increase of 15.1 percent. IT services revenues are expected to grow by 4.5 percent to €51.6 billion. After a decline in the previous year, the hardware segment is expected to see slight growth of 2.8 percent, reaching €53.0 billion. A high growth rate is particularly anticipated in the Infrastructure-as-a-Service (IaaS) sector, which includes rented server, network, and storage capacities. This is due to the (foreseeable) slowdown in the growth of mobile PCs, desktop PCs and tablets after the high investments in these devices by companies and private households before the coronavirus pandemic.

The telecommunications submarket is expected to grow moderately by 2.0 percent to €73.7 billion in 2024. Bitkom calculates that telecommunications services will generate revenues of €52.8 billion, an increase of 1.8 percent. The devices market is anticipated to grow even more robustly, with a 4.3 percent increase to €12.8 billion. However, investments in telecommunications infrastructure are expected to decline slightly by 0.3 percent to €8.1 billion.

### **Forecast for financial year 2024**

With the announcement of 2 August 2024, 1&1 has updated the forecast for the financial year 2024. The Management Board now expects service revenues to increase by approximately 3 percent to approximately €3.33 billion in the financial year 2024 (previously expected: plus approximately 4 percent to approximately €3.37 billion after €3.243 billion in 2023). Start-up costs in the 1&1 Mobile Network segment are expected to amount to approximately -€174 million in 2024 (previously expected: approximately -€160 million after -€132.4 million in 2023), due to approximately €14 million in out-of-period expenses. EBITDA in the Access operating segment is expected to increase by approximately 9 percent to approximately €860 million (previously expected: plus approximately 12 percent to €880 million, previous year €786.2 million). Overall, EBITDA in 2024 is expected to be around €686 million, or €700 million excluding prior-period expenses (previously expected: around €720 million after €653.8 million in 2023)

1&1 now anticipates an investment volume (cash capex) of around €460 million (previously expected: approximately €380 million after €295.6 million in 2023). The background to this is the build-up of the company's own inventory of network components, which were previously stockpiled by expansion partners.

### **General statement from the Management Board on presumable development**

Following the successful launch of mobile services on the 1&1 network in 2023, the first half of the year focused on further expanding the 1&1 mobile network and starting the migration of over 12 million existing customers. Another milestone in the financial year 2024 will be the connection of the 1&1 mobile network with the Vodafone network within the framework of the national roaming agreement.

The 1&1 Management Board expects that by operating its own mobile network the company will be more independent from wholesale services providers and, as a result of the more in-depth added value, have a solid foundation for the successful development of the Group. Thanks to its excellent current position in the telecommunications market and to the new opportunities to respond even more precisely to customer needs with tailored products and offerings by operating its own mobile network, the Management Board believes that 1&1 is well positioned to take the future steps of the Company's development, and the Board is optimistic about the future.

The Management Board expects growth in the second half of the financial year 2024, particularly in the mobile internet sector within the Access segment. Thanks to a business model that is based for the most part on electronic subscriptions, 1&1 views its position as by and large stable and secure from economic fluctuations. 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 the report as well, the Management Board believes that the Company is well on its way for further growth.

### **Major accounting, valuation and consolidation principles**

The half-year financial report of 1&1 AG as at 30 June 2024 was prepared, as were the consolidated annual financial statements as at 31 December 2023, in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union (EU).

The accounting and valuation principles applied in the half-year financial report are exactly the same as the methods applied as at 31 December 2023 with the exception of the standards that must be applied for the first time, and it must be read in the context of the consolidated financial statements as at 31 December 2023.

### **Future-oriented statements and forecasts**

This half-year financial report contains future-oriented statements that are based on the current expectations, assumptions and forecasts of the 1&1 AG Management Board and 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 AG does not guarantee that the future-oriented statements will prove to be correct, and it neither assumes any obligation nor does it have any intention to adjust or update any future-oriented statements made in this half-year financial report.

### **Use of assumptions and estimates**

During preparation of the half-year financial report, management makes discretionary decisions as well as 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 lead to results that in future require substantial restatements in the carrying value of the relevant assets or liabilities.

### **Use of financial key performance indicators relevant to business management**

Financial key performance indicators such as EBITDA, EBITDA margin, EBIT, EBIT margin or free cash flow are used in addition to the disclosures required by the International Financial Reporting Standards (IFRS) in the Company's annual and interim financial statements to ensure a clear and transparent presentation of 1&1's business development. Information about the use, definition and calculation of these key performance indicators is available starting on page 59 of the Annual Report 2023 of 1&1 AG.

The financial key performance indicators relevant for the management of the Group are service revenues, 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.

The aforementioned key 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 2023 and 2024, so the unadjusted figures are comparable.

### **Miscellaneous**

All major subsidiaries are included in the consolidated interim financial statements. The scope of consolidation has not changed compared to the consolidated financial statements per 31 December 2023.

As in the previous year, no companies were sold in the reporting period.

The half-year financial report has not been audited in accordance with section 317 Commercial Code [*Handelsgesetzbuch; HGB*] or reviewed by an auditor.

### **Important events after 30 June 2024**

There were no significant events after the balance sheet date.

Montabaur, 8 August 2024



Ralph Dommermuth



Markus Huhn



Alessandro Nava

The Management Board



# Interim Financial Statement for the First Half of 2024

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## Consolidated Comprehensive Income Statement

from 1 January to 30 June 2024

	2024 January - June k€	2023 January - June k€
Sales	2,015,944	1,993,098
Cost of sales	-1,458,699	-1,388,656
<b>GROSS PROFIT FROM REVENUES</b>	<b>557,245</b>	<b>604,442</b>
Distribution costs	-262,862	-254,317
Administration costs	-57,501	-57,134
Other operating expenses	-1,477	-2,975
Other operating income	20,152	16,461
Impairment losses from receivables and contract assets	-59,417	-52,353
<b>RESULTS FROM OPERATING ACTIVITIES</b>	<b>196,140</b>	<b>254,124</b>
Financing expenses	-8,470	-4,692
Financial income	8,862	8,128
<b>PROFIT BEFORE TAXES</b>	<b>196,532</b>	<b>257,560</b>
Tax expenses	-60,115	-77,590
<b>CONSOLIDATED PROFIT</b>	<b>136,417</b>	<b>179,970</b>
<b>Profit per share (in €)</b>		
- undiluted	0.77	1.02
- diluted	0.77	1.02
<b>Weighted average number of shares outstanding (in millions)</b>		
- undiluted	176.30	176.30
- diluted	177.40	176.30
<b>Rollover to total consolidated profit</b>		
<b>CONSOLIDATED PROFIT</b>	<b>136,417</b>	<b>179,970</b>
Other results	0	0
<b>TOTAL CONSOLIDATED PROFIT</b>	<b>136,417</b>	<b>179,970</b>

## Consolidated Balance Sheet

as at 30 June 2024

	30/06/2024	31/12/2023
	k€	k€
<b>ASSETS</b>		
<b>Short-term assets</b>		
Cash and cash equivalents	2,788	3,197
Trade accounts receivable	359,290	333,372
Receivables due from associated companies	327,748	434,343
Inventories	126,285	177,999
Contract assets	639,817	666,836
Prepaid expenses	305,255	250,586
Other financial assets	70,256	42,620
Income tax assets	9,816	9,744
Other non-financial assets	6,640	9,106
	<b>1,847,895</b>	<b>1,927,803</b>
<b>Long-term assets</b>		
Other financial assets	2,705	2,566
Tangible assets	650,400	501,029
Intangible assets	1,511,118	1,560,144
Goodwill	2,932,943	2,932,943
Contract assets	189,865	206,497
Prepaid expenses	787,346	609,324
	<b>6,074,377</b>	<b>5,812,503</b>
<b>Total assets</b>	<b>7,922,272</b>	<b>7,740,306</b>



	30/06/2024	31/12/2023
	k€	k€
<b>LIABILITIES AND EQUITY</b>		
<b>Short-term liabilities</b>		
Trade accounts payable	312,715	277,053
Liabilities due to associated companies	134,662	165,461
Contract liabilities	50,760	51,564
Other provisions	23,818	24,028
Other financial liabilities	144,723	127,787
Other non-financial liabilities	8,063	8,937
Income tax liabilities	312	61,782
	<b>675,053</b>	<b>716,612</b>
<b>Long-term liabilities</b>		
Contract liabilities	10,755	11,065
Other provisions	49,016	42,016
Other financial liabilities	965,234	875,758
Deferred tax liabilities	205,953	207,781
	<b>1,230,958</b>	<b>1,136,620</b>
<b>Total liabilities</b>	<b>1,906,011</b>	<b>1,853,232</b>
<b>Equity</b>		
Share capital	194,442	194,442
Treasury shares	-512	-512
Capital reserves	2,440,899	2,439,314
Cumulative consolidated results	3,382,294	3,254,692
Other equity	-862	-862
<b>TOTAL EQUITY</b>	<b>6,016,261</b>	<b>5,887,074</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,922,272</b>	<b>7,740,306</b>

## Consolidated Cash Flow Statement

from 1 January to 30 June 2024

	2024	2023
	January - June	January - June
	k€	k€
<b>RESULTS FROM OPERATING ACTIVITIES</b>		
Consolidated profit	136,417	179,970
<b>Allowances for rollover of consolidated profit to incoming and outgoing payments</b>		
Allowances for rollover of consolidated profit to incoming and outgoing payments	87,340	54,818
Depreciation on assets capitalised within the framework of corporate acquisitions	43,089	43,089
Personnel expenses from employee stock ownership programmes	1,585	853
Changes in the adjustment items for deferred tax assets	-1,829	-14,974
Correction profits / losses from the sale of tangible assets	1	9
Financial result	-393	-3,436
Other items not affecting payments	9	0
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>266,219</b>	<b>260,329</b>
<b>Changes in assets and liabilities</b>		
Change in receivables and other assets	-51,159	-42,003
Change in contract assets	43,652	-3,244
Change in inventories	51,714	-8,144
Change in prepaid expenses	-232,692	-254,621
Change in trade accounts payable	-45,449	7,101
Change in other provisions	6,790	-586
Change in income tax liabilities	-61,470	24,241
Change in other liabilities	18,018	-24,956
Change in receivables due from / liabilities due to associated companies	-18,976	61,812
Change in contract liabilities	-1,114	3,097
<b>Changes in assets and liabilities, total</b>	<b>-290,686</b>	<b>-237,303</b>
<b>Net inflow of funds from operating activities</b>	<b>-24,467</b>	<b>23,026</b>

	<b>2024</b>	<b>2023</b>
	January - June	January - June
	k€	k€
<b>CASH FLOW FROM INVESTMENTS</b>		
Investments in intangible and tangible assets	-34,030	-81,264
Inflow of funds from disposal of intangible and tangible assets	25	235
Investments in other financial assets	-141	-167
Interest received	11,128	5,375
Repayments from other financial assets	92,500	75,000
<b>Net outflow of funds in investment sector</b>	<b>69,482</b>	<b>-821</b>
<b>CASH FLOW FROM FINANCING SECTOR</b>		
Dividend payment	-8,815	-8,815
Repayment of leasing liabilities and rights of use	-7,693	-11,288
Interest payments	-28,916	-2,620
<b>Net outflow of funds in financing sector</b>	<b>-45,424</b>	<b>-22,723</b>
<b>Net increase/decline in cash and cash equivalents</b>	<b>-409</b>	<b>-518</b>
Cash and cash equivalents at beginning of fiscal year	3,197	4,677
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,788</b>	<b>4,159</b>

## Consolidated Change in Equity Statement

in Financial Years 2024 and 2023

	Share capital		Treasury shares		Capital reserve	Cumulative consolidated results	Other equity	Total equity
	Denomination	k€	Denomination	k€	k€	k€	k€	k€
Per 1 January 2023	176,764,649	194,442	465,000	-512	2,437,940	2,948,557	-586	5,579,841
Consolidated profit						179,970		179,970
<b>Total results</b>						<b>179,970</b>	<b>0</b>	<b>179,970</b>
Dividend payments						-8,815		-8,815
Employee stock ownership programme					853			853
Per 30 June 2023	176,764,649	194,442	465,000	-512	2,438,793	3,119,712	-586	5,751,849
Per 1 January 2024	176,764,649	194,442	465,000	-512	2,439,314	3,254,692	-862	5,887,074
Consolidated profit						136,417		136,417
<b>Total results</b>						<b>136,417</b>	<b>0</b>	<b>136,417</b>
Dividend payments						-8,815		-8,815
Employee stock ownership programme					1,585			1,585
Per 30 June 2024	176,764,649	194,442	465,000	-512	2,440,899	3,382,294	-862	6,016,261

# **Explanatory Comments on the Interim Consolidated Financial Statements 30 June 2024**

## **1. General Information About the Company and the Financial Statements**

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. 1&1 has been operating its own mobile communications network since December 2023.

The address and registered office 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.

1&1 AG is included in the consolidated interim financial statements of United Internet AG, Montabaur.

## **2. Major accounting, valuation and consolidation principles**

The interim report from 1&1 AG as at 30 June 2024 was prepared, just as the consolidated annual financial statements as at 31 December 2023, in compliance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union (EU).

The abbreviated consolidated interim financial statements for the period from 01 January 2024 to 30 June 2024 were prepared in accordance with IAS 34 "Interim Financial Reporting".

The reporting scope chosen for the presentation of these consolidated interim financial statements is abbreviated in comparison with the consolidated annual financial statements and should therefore be read in association with the consolidated annual financial statements as at 31 December 2023. The accounting and valuation methods applied in the abbreviated consolidated interim financial statements are the same as the methods used in the previous year with the exception of the standards whose application has in the interim become mandatory; they are briefly designated below.

## 2.1 Mandatory application of new accounting standards

Application of the following standards and interpretations as revised or newly issued by the IASB is mandatory for the financial year as of 01 January 2024.

Standard		Mandatory application for financial years beginning as of	Adoption by EU Commission
Amendments to: IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current liabilities with covenants	01/01/2024	Yes
Amendments to: IAS 7 and IFRS 7	Disclosure requirements in connection with supplier finance arrangements	01/01/2024	Yes
Amendments to: IFRS 16	Leasing liabilities within the scope of a sale and leaseback	01/01/2024	Yes

There were no significant effects for these financial statements as a result of the changes in IFRS.

## 2.2 Use of assumptions and estimates

During preparation of the abbreviated consolidated interim 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 debts. The uncertainty related to these assumptions and estimates may, however, lead to results that in future require substantial restatements in the carrying value of the relevant assets or liabilities.

The principles for discretionary decisions and estimates are essentially unchanged compared to the consolidated annual financial statements as at 31 December 2023.

The effects of climate change did not have any significant impact on the discretionary decisions and estimates or on the measurement of assets and liabilities in the first half of 2024.

## **2.3 Miscellaneous**

All subsidiaries are included in the consolidated financial statements. The scope of consolidation has remained unchanged in comparison with 31 December 2023.

These consolidated financial statements have not been audited pursuant to section 317 Commercial Code [*Handelsgesetzbuch; HGB*] or subjected to a review by an independent accountant.

## Explanatory Comments on the Comprehensive Income Statement

### 3. 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 chief operating decision-maker. In 1&1 Group, the Management Board of 1&1 AG is responsible for the assessment and management of the segments' business success.

Company management and group reporting encompass the Access segment and 1&1 mobile network.

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 monitoring of goodwill in the amount of €2,932,943k (31 December 2023: €2,932,943k) is the responsibility of the CODM at the level of the "Access" segment.

The EBITDA in the 1&1 mobile network segment amounted to -€110,976k for the reporting period (previous year: -€40,773k). The change is due to the planned increase in costs associated with the further expansion and operation of the 1&1 mobile network. Of this amount, €14,300k relates to out-of-period expenses from subsequent invoices for additional services for network expansion in 2022 and 2023.

€7.706k of revenue was generated in the first half of the financial year 2024 through the supply of wholesale mobile services to the Access segment.

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 chargeable contracts, adjusted earnings before inter-



est, taxes, depreciation and amortisation (comparable operating EBITDA) and cash Capex (investment expenditure), determined on the basis of IFRS accounting methods (IFRS as they are to be applied in the EU). Unadjusted EBITDA for the financial years 2024 and 2023 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.

Transactions between the segments are charged at market prices.

The segment reporting of 1&1 Group for the reporting period from 1 January to 30 June 2024 is presented below:

	Access k€	1&1 Mobile Network k€	Consolidation k€	Total k€
Service revenue	1,644,938	0	0	1,644,938
Hardware and other revenues	370,991	15	0	371,006
Internal sales		7,706	-7,706	0
<b>Segment revenues</b>	<b>2,015,929</b>	<b>7,721</b>	<b>-7,706</b>	<b>2,015,944</b>
<b>Cost of materials for segment</b>	<b>-1,284,709</b>	<b>-109,143</b>	<b>7,706</b>	<b>-1,386,146</b>
<b>Gross profit for segment</b>	<b>731,220</b>	<b>-101,422</b>	<b>0</b>	<b>629,798</b>
<b>Segment EBITDA</b>	<b>437,545</b>	<b>-110,976</b>	<b>0</b>	<b>326,569</b>
<b>Customer contracts (in millions)</b>	<b>16.35</b>	<b>-</b>	<b>-</b>	<b>16.35</b>

All revenues were realised in Germany.

The segment reporting of 1&1 Group for the reporting period from 1 January to 30 June 2023 is presented below:

	Access k€	1&1 Mobile Network k€	Consolidation k€	Total k€
Service revenue	1,584,612	0	0	1,584,612
Hardware and other revenues	408,486	0	0	408,486
<b>Segment revenues</b>	<b>1,993,098</b>	<b>0</b>	<b>0</b>	<b>1,993,098</b>
<b>Cost of materials for segment</b>	<b>-1,318,561</b>	<b>-29,060</b>	<b>0</b>	<b>-1,347,621</b>
<b>Gross profit for segment</b>	<b>674,537</b>	<b>-29,060</b>	<b>0</b>	<b>645,477</b>
<b>Segment EBITDA</b>	<b>392,804</b>	<b>-40,773</b>	<b>0</b>	<b>352,031</b>
<b>Customer contracts (in millions)</b>	<b>15.96</b>	<b>-</b>	<b>-</b>	<b>15.96</b>

The roll-over of the total of the segment earnings (EBITDA) to the profit before taxes on income is determined as shown below:

	2024 January - June €k	2023 January - June k€
Total segment profits (EBITDA)	326,569	352,031
Write-downs	-130,429	-97,907
<b>Operating profit</b>	<b>196,140</b>	<b>254,124</b>
Financial result	392	3,436
<b>Earnings before income taxes</b>	<b>196,532</b>	<b>257,560</b>

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 percent of the total external sales revenues is generated.

## Additional information on sales revenues

Group sales revenues break down as shown below:

	2024 January - June €k	2023 January - June k€
Service revenues	1,644,938	1,584,612
Hardware and other revenues	371,006	408,486
<b>Total</b>	<b>2,015,944</b>	<b>1,993,098</b>

Sales revenues increased by 1.1 percent or €22,846k to €2,015,944k in the first half of 2024 (previous year: €1,993,098k).

## 4. Cost of Sales

Cost of sales increased in the first half of 2024 by €70,043k or 5.0 percent to €1,458,699k (previous year: €1,388,656k). This mainly relates to expenses for purchased services in the amount of €869,290k (previous year: €840,661k) and expenses for purchased goods in the amount of €393,125k (previous year: €410,745k).

In the 1&1 Mobile Network segment, the cost of sales in the interim reporting period 2024 amounted to €166,612k (previous year: €54,595k) and mainly related to costs for the construction and operating of the 1&1 mobile network. Of this amount, €14,300k relates to out-of-period expenses from subsequent invoices for additional services for network expansion in 2022 and 2023.

The Access segment accounted for cost of sales of €1,299,793k (previous year: €1,334,061k) for the interim reporting period 2024. This includes cost of sales from internal relationships totalling €7,706k (previous year: €0k).

## 5. Impairment Losses from Receivables and Contract Assets

Impairment losses on receivables and contract assets increased in comparison with the previous year by €7,064k from €52,353k to €59,417k. In relation to sales revenues, the impairment ratio was 2.9 percent (previous year: 2.6 percent).

## 6. Write-downs

Total amortisation of intangible assets and depreciation on tangible assets during the reporting period 2024 amounted to €130,429k (previous year: €97,907k).

Depreciation and amortisation of assets capitalised in relation to company acquisitions amounted to €43,089k (previous year: €43,089k). Software and software licenses accounted for amortization of around € 42,243 thousand (previous year: € 22,590 thousand). The increase is due in particular to increased investments in software products in connection with the expansion and operation of the company's own mobile communications network. Moreover, write-downs of €20,410k were taken for the frequency blocks in the 3.6 GHz bandwidth (previous year: €20,410k). The amortisation of the acquired frequency blocks in the 2 GHz bandwidth will not commence until the beginning of the allocated term.

## 7. Personnel Expenses

Personnel expenses for the reporting period 2024 amounted to €124,252k (previous year: €115,364k). As at the balance sheet date 30 June 2024, the number of employees (headcount) was 3,321 (31/12/2023: 3,320).

## 8. Financing expenses/Financial income

Financing expenses amounted to €8,470k in the first half of the year (previous year: €4,692k). This includes interest expenses from leasing liabilities amounting to €5,575k (previous year: €1,601k). This increase mainly stems from the expansion of the network infrastructure.

Additionally, approximately €2,815k (previous year: €3,025k) was attributed to interest-like expenses related to the acquisition of 5G frequencies. These expenses result from the deferral of the frequency liabilities extending the term of the payment obligation for the mobile radio frequencies to 2030.

Financial income amounted to €8,863k (previous year: €8,128k) and, as in the previous year, resulted largely from interest on the financial investment with United Internet AG, the increase being due to the higher interest rate level.

## Explanatory Comments on the Consolidated Balance Sheet

Explanatory comments are provided solely on the items that display noteworthy differences to the amounts disclosed in the consolidated annual financial statements as at 31 December 2023.

### 9. Accounts Due from Associated Companies

Accounts due from associated companies in the amount of €327,749k (31 December 2023: €434,343k) are related to accounts due from member companies of United Internet Group that are not included in 1&1 Group's consolidated financial statements. Of the disclosed accounts due, €317,500k (31 December 2023: €410,000k) relate to accounts due from the short-term investment of free cash and cash equivalents at United Internet AG.

### 10. Tangible and intangible assets; goodwill

A total of €34,030k (HY1 2023: €81,264k) was invested in tangible and intangible assets during the interim reporting period. The investments relate essentially to investments in technical equipment for the rollout and operation of the 1&1 mobile network. Deferrals of €81.1 million were recognised as at 30 June 2024 for fixed assets already in use but for which no final invoice has yet been issued.

Tangible assets as at the balance sheet date 30 June 2024 break down as follows:

	30/06/2024	31/12/2023
	€k	€k
Land and buildings	194	201
Rights of use to fixtures, fittings and equipment	4,827	5,821
Fixtures, fittings and equipment	170,108	54,877
Rights of use to land and buildings	83,062	86,874
Rights of use to network infrastructure	212,903	101,657
Payments on account	179,306	251,599
<b>Tangible assets, net</b>	<b>650,400</b>	<b>501,029</b>

Tangible assets rose by €501,029k from €149,371k as at 31 December 2023 to €650,400k as at 30 June 2024. The rise is largely due to investments in the expansion of the 1&1 mobile network and the leasing of sites for antenna installations.

Intangible assets decreased as planned from €1,560,144k as of 31 December 2023, to €1,511,118k as of 30 June 2024, primarily comprising 5G frequencies as well as software and software licenses for the expansion and operation of the 1&1 mobile network. During the interim reporting period 2024, write-downs of €20,410k were taken for the frequency blocks in the 3.6 GHz bandwidth. The amortisation of the acquired frequency blocks in the 2 GHz bandwidth will not commence until the beginning of the allocated term.

The goodwill amounts to €2,932,943k (31 December 2022: €2,932,943k).

## 11. Prepaid Expenses

Long-term deferred expenses amount to €787,346k per 30 June 2024 (31 December 2023: €609,324k) and include mainly advance payments made under long-term purchase agreements of €636,032k (31 December 2023: €469.892k) costs to obtain contracts of €105,183k (31 December 2023: €99,720k) and costs to fulfil contracts of €46,131k (31 December 2023: €39,712k). Short-term prepaid expenses rose from €250,586k to €305,255k and relate essentially to contract costs and prepaid utilisation fees that will not be recognised through expenditures until later periods.

## 12. Short-term Accounts Due to Associated Companies

Short-term accounts due to associated companies as at 30 June 2024 amount to €134,662k (31 December 2023: €165.461k) and are related to accounts due to associated companies of United Internet Group that are not included in 1&1 Group's consolidated financial statements and result by and large from wholesale procurements and other service offsets. In addition, 1&1 AG will be included in the sales tax group of the majority shareholder United Internet AG. This means that sales tax liabilities are also shown under accounts due to associated companies. The decline is mainly due to accounts payable to 1&1 Versatel.

## 13. Other Long-term Financial Liabilities

Other long-term financial liabilities per 30 June 2024 in the amount of €965,234k (31 December 2023: €875,758k) relate mainly to frequency liabilities in the amount of €702,952k (31 December 2023: €702,952k) and liabilities pursuant to leasing agreements in the amount of €259,818k (31 December 2023: €170,511k). The increase in leasing liabilities is for the most part due to the addition of capitalised rights of use for network infrastructure.

## 14. Share capital/Own shares

The share capital as at 30 June 2024 remains unchanged at €194,441,113.90. 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 30 June 2024, 1&1 AG holds 465,000 shares of its own stock. The nominal value of the treasury shares of €511,500k is deducted from the share capital of €194,441,113.90, so that the issued share capital amounts to €193,929,613.90.

## 15. Employee stock ownership models

### Stock Appreciation Rights Drillisch (SAR Drillisch)

Expenses from the stock appreciation rights Drillisch (SAR Drillisch) amounted to €1,585k in the first half of 2024 (previous year: €853k).

## 16. Additional Disclosures About the Financial Instruments

The table below presents the carrying value of each category of financial assets and liabilities as at 30 June 2024:

	Evaluation category per IFRS 9	Carrying values as at 30/06/2024 €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 30/06/2024 €k
<b>Financial assets</b>						
Cash and cashequivalents	ac	2,788	2,788			2,788
Trade accounts receivable	ac	359,290	359,290			359,290
Accounts due from associated companies	ac	327,749	327,749			327,749
Other short-term financial assets	ac	70,256	70,256			70,256
Other long-term financial assets						
- Participating interests	fvoci	2,104		2,104		2,104
- Miscellaneous	ac	601	601			601
<b>Financial liabilities</b>						
Trade accounts payable	ac	-294,015	-294,015			-294,015
Liabilities due to associated companies	ac	-134,662	-134,662			-134,662
Other short-term financial liabilities	ac/n/a					
- Lease liabilities	n/a	-23,977			-23,977	
- Miscellaneous	ac/n/a	-120,747	-120,747			-120,747
Other long-term financial liabilities	ac/n/a					
- Lease liabilities	n/a	-259,818			-259,818	
- Frequency liabilities	ac	-702,592	-702,592			-593,007
- Miscellaneous	ac	-2,824	-2,824			-2,824
of which aggregated per classification categories:						
Financial assets at amortised cost	ac	760,684	760,684			760,684
Financial assets at fair value through other comprehensive income without recycling to profit and loss	fvoci	2,104		2,104		2,104
Financial liabilities at amortised acquisition cost	ac	-1,254,840	-1,254,840			-1,145,255
Lease liabilities	n/a	-283,795			-283,795	



The table below presents the carrying value of each category of financial assets and liabilities as at 30 June 2023:

	Evaluation category per IFRS 9	Carrying values as at 30/06/2023 €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 30/06/2023 €k
<b>Financial assets</b>						
Cash and cashequivalents	ac	4,159	4,159			4,159
Trade accounts receivable	ac	294,705	294,705			294,705
Accounts due from associated companies	ac	498,209	498,209			498,209
Other short-term financial assets	ac	36,708	36,708			36,708
Other long-term financial assets						
- Participating interests	fvoci	1,788		1,788		1,788
- Miscellaneous	ac	649	649			649
<b>Financial liabilities</b>						
Trade accounts payable	ac	-236,239	-236,239			-236,239
Liabilities due to associated companies	ac	-139,498	-139,498			-139,498
Other short-term financial liabilities	ac/n/a					
- Lease liabilities	n/a	-11,505			-11,505	
- Miscellaneous	ac/n/a	-121,393	-121,393			-121,393
Other long-term financial liabilities	ac/n/a					
- Lease liabilities	n/a	-108,371			-108,371	
- Frequency liabilities	ac	-763,858	-763,858			-632,820
- Miscellaneous	ac	-1,934	-1,934			-1,934
of which aggregated per classification categories:						
Financial assets at amortised cost	ac	834,430	834,430			834,430
Financial assets at fair value through other comprehensive income without recycling to profit and loss	fvoci	1,788		1,788		1,788
Financial liabilities at amortised acquisition cost	ac	-1,262,922	-1,262,922			-1,131,884
Lease liabilities	n/a	-119,876			-119,876	

Cash and cash equivalents, trade accounts receivable, accounts due from associated companies and other short-term financial assets have short remaining terms. Their carrying values on the closing date are consequently close to fair value.

Participations are disclosed at fair value. It is assumed for the remaining other long-term assets, which are disclosed in the balance sheet at amortised cost, that their carrying value is equivalent to fair value.

Trade accounts payable, liabilities due to associated companies and other short-term financial liabilities have short remaining terms; the disclosed values represent approximately the fair values.

It is assumed for the remaining other long-term liabilities, which are disclosed in the balance sheet at amortised cost, that their carrying value is equivalent to 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. Option price models are primarily used to measure purchase price liabilities.

## **17. 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. Associated companies 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, Mr. Ralph Dommermuth, being the majority shareholder of United Internet AG, is classified as a related party. The Management Board and Supervisory Board of United Internet AG and their immediate family members are also considered as related parties.

The group of related parties remained essentially unchanged in comparison with the consolidated annual financial statements as at 31 December 2023.

As at 30 June 2024, the Management Board members held the following stock in 1&1 AG:

As at the closing date 30 June 2024, United Internet AG, Montabaur, held 78.32 percent of the stock in 1&1 AG. As at 30 June 2024, Mr. Ralph Dommermuth in turn holds indirectly through holding companies

54.37 percent of the share capital of United Internet AG as reduced by his own shares of United Internet AG.

The Supervisory Board members held the following stock in 1&1 AG as at 30 June 2024:

Supervisory Board member Vlasios Choulidis 273,333 no-par-value shares (65,000 of which were held via MV Beteiligungs GmbH), a total of 0.16 percent of the shares of 1&1 AG.

Of the disclosed sales revenues, €8,491k (previous year: €7,517k) was realised during the reporting period with member companies of United Internet Group that are not members of the consolidation of the 1&1 Group.

The expenditures in the reporting period of €122,555k (previous year: €112,277k) include expenditures with member companies of United Internet Group that are not members of the consolidation of the 1&1 Group.

The business premises in Montabaur and Karlsruhe are leased by Mr. Ralph Dommermuth to 1&1. The resulting payment obligations are at the usual local level. The resulting payment commitments incurred during the reporting period amounted to €3,689k (previous year: €3,528k).

The following table shows rights of use concerning related parties:

	Carrying value 31/12/2023 €k	Addition of the fiscal year €k	Write-down €k	Disposal of the fiscal year €k	Carrying value 30/06/2024 €k
Rights of use	61,986	768	-3,067	-12	59,675

The following table shows leasing liabilities concerning related parties:

	Carrying value 31/12/2023 €k	Addition of the fiscal year €k	Payment / interest €k	Disposal of the fiscal year €k	Carrying value 30/06/2024 €k
Lease liabilities	63,898	768	-2,578	-12	62,076

## 18. Events after 30 June 2024

There were no significant events after the balance sheet date.

Montabaur, 08 August 2024

1&1 Aktiengesellschaft



Ralph Dommermuth



Markus Huhn



Alessandro Nava

## Consolidated Statement of Comprehensive Income, Quarterly Development

in €m

	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2023 Q2
Sales	1,038.7	1,064.9	1,024.4	991.5	972.1
Cost of sales	-747.1	-801.9	-725.2	-733.5	-676.1
<b>GROSS PROFIT FROM REVENUES</b>	<b>291.6</b>	<b>263.0</b>	<b>299.2</b>	<b>258.0</b>	<b>296.0</b>
Distribution costs	-132.6	-126.3	-129.6	-133.3	-128.2
Administration costs	-35.7	-22.8	-29.3	-28.2	-28.9
Other operating income/ expenses	11.3	6.2	8.1	10.6	7.4
Impairment losses from receivables and contract assets	-25.0	-28.0	-30.5	-28.9	-25.6
<b>RESULTS FROM OPERATING ACTIVITIES</b>	<b>109.6</b>	<b>92.1</b>	<b>117.9</b>	<b>78.2</b>	<b>120.7</b>
Financial result	2.8	2.8	0.9	-0.5	2.1
<b>PROFIT BEFORE TAXES</b>	<b>112.4</b>	<b>94.9</b>	<b>118.8</b>	<b>77.7</b>	<b>122.8</b>
Tax expenses	-39.4	-32.9	-36.1	-24.0	-36.8
<b>CONSOLIDATED PROFIT</b>	<b>73.0</b>	<b>62.0</b>	<b>82.7</b>	<b>53.7</b>	<b>86.0</b>
<b>Profit per share (in €)</b>					
- undiluted	0.42	0.35	0.47	0.30	0.49
- diluted	0.42	0.34	0.47	0.30	0.49
<b>Rollover to total consolidated profit</b>	<b>73.0</b>	<b>62.0</b>	<b>82.7</b>	<b>53.7</b>	<b>86.0</b>
<b>CONSOLIDATED PROFIT</b>	<b>73.0</b>	<b>62.0</b>	<b>82.7</b>	<b>53.7</b>	<b>86.0</b>
Other results	0.0	-0.3	0.0	0.0	0.0
<b>TOTAL CONSOLIDATED PROFIT</b>	<b>73.0</b>	<b>61.7</b>	<b>82.7</b>	<b>53.7</b>	<b>86.0</b>



# Responsibility Statement

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## Responsibility Statement

### **Declaration in accordance with Section 117 of the German Securities Trading Act (WpHG) in conjunction with Section 115(2) No. 3 WpHG**

We hereby declare, to the best of our knowledge, that the interim consolidated financial statements have been prepared in accordance with the applicable accounting principles for interim reporting, adhering to the principles of proper accounting, and provide a true and fair view of the Group's assets, financial position, and results of operations. Furthermore, the interim consolidated management report accurately reflects the business performance, including the results of operations and the position of the Group, providing a true and fair view, and describes the significant opportunities and risks for the Group's anticipated development in the remainder of the financial year.

Montabaur, 08 August 2024

1&1 Aktiengesellschaft



Ralph Dommermuth



Markus Huhn



Alessandro Nava





## Miscellaneous

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# Investor Relations Corner

## 1. 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.

## 2. Share Price Development

### In the 2024 Stock Market Year

	2023 year end	30/06/2024	% change
1&1	€ 18.14	€ 15.94	-12.13
DAX	16,751.64	18,235.45	8.86
SDAX	13,960.36	14,317.55	2.56
TecDAX	3,337.41	3,326.63	-0.32

## 3. Current Analyst Assessments (Last revised 25 July 2024)

The 1&1 share is regarded as promising in the capital market, thanks to its strong strategic position in the German telecommunications market.

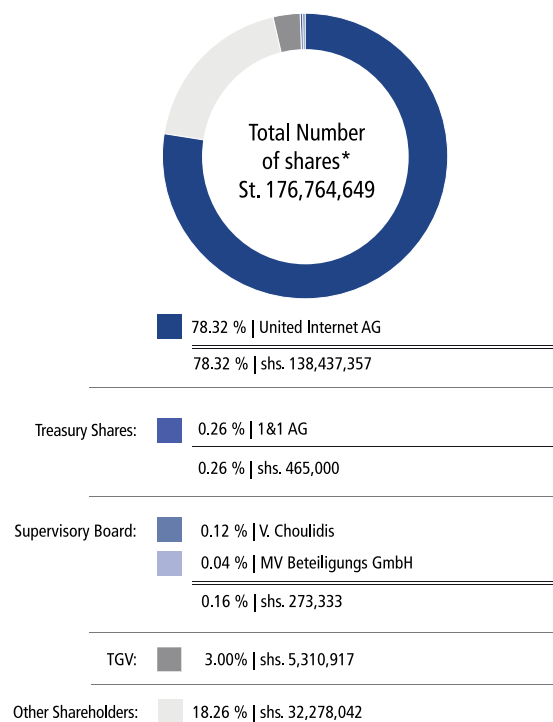
Analysis	Rating	Price target	Date
Barclays	„Neutral“	€ 20.00	29/07/2024
Newstreet	„Buy“	€ 29.00	08/07/2024
UBS	„Buy“	€ 20.50	12/06/2024
Bernstein	„Underweight“	€ 10.20	30/05/2024
Redburn	„Neutral“	€ 17.00	30/05/2024

An up-to-date overview of analyst recommendations can be found on 1&1 AG's Investor Relations website.

Source: <https://www.1und1.ag/investor-relations#die-aktie>

## 4. Shareholder structure

(Last Revised 31 December 2023)



Free Float as per definition of Dt. Boerse AG: 21.42 %

\* 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 Securities Trading Act. Accordingly, only voting rights notifications that have reached at least the first notification threshold of 3% are taken into account, as well as the FY 2022 report, page 101.

## Publications, Information and Order service

This report on the 1st half of 2024 is also available in German.

You can view 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](http://www.1und1.ag/investor-relations).

Please use our online ordering service on our website at [www.1und1.ag/investor-relations#bestellservice](http://www.1und1.ag/investor-relations#bestellservice).

We will of course also be happy to send you the requested information by post or e-mail and, in addition, to answer your personal questions on the phone.

## Financial Event Calendar\*

**08 August 2024**                      6-Month Report 2024, Press and Analyst Conference

**12 November 2024**                Quarterly Release Q3 2024

\*These dates are provisional and subject to change.

## Contact

If you have any questions about the report and 1&1 AG, please do not hesitate to contact our Investor Relations/Press Department:

### Investor Relations

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## Legal Information

**1&1 AG is a member of the United Internet Group.**

### **Company's registered office**

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56410 Montabaur

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### **Controller**

1&1 AG

### **Commercial Register Entry no.:**

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VAT Reg. No.: DE 812458592

Tax number: 3065500513

Montabaur-Diez Tax Office

### **Management Board**

Ralph Dommermuth (CEO)

Markus Huhn

Alessandro Nava

### **Supervisory Board**

Kurt Dobitsch (Supervisory Board Chairman)

Norbert Lang (Supervisory Board Deputy Chairman)

Matthias Baldermann

Vlasios Choulidis

Friedrich Joussen

Christine Schöneweis

### **Note**

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.

*[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](http://www.1und1.ag). In case of doubt, the German version prevails.

### **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.

## Brand portfolio of 1&1



For more information such as contact details, please visit:

[www.1und1.ag/kontakt](http://www.1und1.ag/kontakt)



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