3U HOLDING

Annual Report 2023

Group results at a Glance

3U Group		2023	2022	Change in %
Group revenue	**EUR million**	**52.35**	**50.32**	**4.0**
ITC		15.34	12.14	26.3
Renewable Energies		8.06	7.20	11.9
SHAC		29.63	31.51	-6.0
Group-EBITDA	**EUR million**	**5.23**	**8.49**	**-38.4**
ITC		3.91	3.14	24.7
Renewable Energies		5.83	3.40	71.6
SHAC		-1.18	0.12	
EBITDA margin	**%**	**10.0**	**16.9**	
ITC		25.5	25.8	
Renewable Energies		72.4	47.2	
SHAC		-4.0	0.4	
Net income for the period	**EUR million**	**2.55**	**3.15**	**-19.0**
Earnings per share total (basic)	EUR	0.07	0.09	-22.2
Earnings per share total (diluted)	EUR	0.07	0.08	-12.5

3U Group		31/12/2023	31/12/2022	Change in %
Equity ratio	**%**	**75.1**	**86.7**	
Cash and cash equivalents	**EUR million**	**55.41**	**189.70**	**-70.8**
Working Capital	**EUR million**	**68.87**	**196.94**	**-65.0**
Net cash	**EUR million**	**39.80**	**173.16**	**-77.0**
Free Cashflow	**EUR million**	**-7.41**	**164.36**	
Employees (FTE)		**164**	**128**	**28.1**
ITC		68	39	74.4
Renewable Energies		4	2	100.0
SHAC		65	60	8.3
Holding		27	27	0.0

Rounding differences may occur in tables and charts for arithmetic reasons.

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Letter to our shareholders

Christoph Hellrung (CFO)

Ladies and Gentlemen, valued Shareholders,

Following the successful close to the year 2022 at a record level thanks to the sale of weclapp, the financial year 2023 was determined by geopolitical, economic and regulatory challenges. In this environment, the development of revenue and profit in our three segments presented a very disparate picture. We are nevertheless generally satisfied with what has been achieved: Consolidated revenue was raised 4% to EUR 52.4 million, and we have achieved EBITDA of more than EUR 5.2 million in line with our guidance which was adjusted last November.

Our ITC and Renewable Energies segments generated revenue growth in the double-digit percentage range, while also delivering a significant improvement in earnings. Against the backdrop of weak online retail prevailing Germany and the massive slump in construction activities, the SHAC segment sustained a decline in revenue while significantly outperforming the relevant market environment.

In 2023, we rigorously forged ahead with our growth strategy anchored in the three megatrends of digitalisation, renewable energies and e-commerce and, at mid-year, presented our MISSION 2026 under which we communicated our new medium-term goals. We now need to set about realising the potential for value added in our segments through implementing suitable strategic measures. In taking over the cs Group, for instance, we have significantly reinforced our capabilities in the ITC segment, which has already positively impacted the figures in the reporting year. Our focus here will be placed first and foremost on enlarging our Managed Service offerings.

Opportunities for massively expanding our electricity producing capacities

Further growth is also on the cards in the Renewable Energies segment. Preparations for repowering facilities in Langendorf are running full speed ahead. We recently received approval to install five new wind turbines in the Burgenland district in Saxony-Anhalt. Moreover, we are pursuing promising project developments in Brandenburg where the state government has now lifted the moratoria previously preventing the construction of wind turbines. In addition, we are looking at initiating further activities, for instance concerning the topic of photovoltaics – and also agrivoltaics which doubles up on the use of land for agriculture and also for producing solar energy. Seen overall, we are planning to ramp up our capacities for generating electricity in the years ahead, thereby making a valuable contribution to the urgently needed energy transition and to achieving global climate targets.

In 2023, we took advantage of the difficult environment in the SHAC segment to optimise our internal processes and to position ourselves even more efficiently, with greater agility. In launching the ThermCube, an easy-to-install, compact heat pump central heating unit in a cabinet, we have taken an important step in tapping the growing demand for environmentally compatible technologies facilitating carbon-neutral heating. At the same time, we were able to strengthen our portfolio of proprietary brands and realign our product mix, along with our advisory concept centering on our core competences. Our aim is to establish 3U as

Uwe Knoke (Strategy and Business Development)

Andreas Odenbreit (Legal Affairs and HR)

a leading provider in the field of innovative home technology by offering the ThermCube, among other products, coupled with a broad range of floor heating systems, and through strengthening our commitment to high-performance photovoltaic solutions. With this in mind, we investigate opportunities for worthwhile acquisitions on a running basis, while exploring new ways of working with potential cooperation partners to accelerate our future growth.

Clearly defined growth trajectory through to 2026

As part of our MISSION 2026, we have defined strategic value potential of EUR 510 million to EUR 620 million within our Group and set specific targets for each of the three segments. Leveraging this value added will require substantial organic growth as well as external takeovers, especially in the SHAC segment.

The year 2024 will mark a milestone on this journey when we will set our sights on raising consolidated revenue in a range of between EUR 58 million and EUR 62 million. An EBITDA margin of around 7 % to 8 % is anticipated, with a net result in negative territory, at least temporarily, due to the necessary investments in the future. We view this as the only way to ensure that the dynamic uptrend in our development anticipated for the financial years 2025 and 2026 – depending on realising the necessary acquisitions – can be achieved.

3U's growth in new dimensions

In response to market requirements, we need to rethink our structures and update our processes while positioning ourselves as an attractive employer. This approach is reflected in plans which have already reached an advanced stage for our new, modern headquarters in Marburg, scheduled for occupation by the end of 2024.

Thanks to 3U's liquidity cushion of more than EUR 55 million, the Group is a very sound position for financing the goals envisaged. In implementing our growth strategy, we will be striving to significantly raise value added for all stakeholders. We view our share as a very attractive investment, which is why we bought back approximately 3.2 million of our own shares in the autumn of 2023.

Furthermore, we want to enable our shareholders to continue to participate in the company's success and generally plan to distribute around 50 % of the annual result in the form of dividend – as was the case following the successful sale of weclapp, this may also be significantly higher. The Management Board and the Supervisory Board have decided to put forward a proposal to the Annual General Meeting on 28 May 2024 to pay dividend of EUR 0.05 per share for the financial year 2023. In tabling this proposal, we have also taken account of the fact that the performance anticipated in the reporting year may be influenced by the partly difficult framework conditions.

We would like to take this opportunity to offer our warm thanks to all the employees in the 3U Group for their huge commitment and their contribution to the progress achieved in 2023. Our thanks also go to the Supervisory Board for its constructive and groundbreaking support and, last but definitely not least, to you as our valued Shareholders for your trust.

Marburg, in March 2024

Your Management Board

Christoph Hellrung | Uwe Knoke | Andreas Odenbreit

Report of the Supervisory Board

Dear Shareholders,

The year 2023 proved to be another challenging one for our company. The economic and political environment was impacted in particular by the wars in Ukraine and in the Middle East, poor economic data, inflation, rising interest rates, as well as by Germany's budgetary crisis and the political debate surrounding the energy transition. Against the backdrop of this demanding environment, 3U was able to deliver impressive proof of its business models' resilience.

A special milestone in the financial year was the exceptional profit participation of all 3U shareholders amounting to EUR 3.20 per share certificate resulting from the successful sale of the weclapp holding the year before. Acquiring the cs companies also went ahead very successfully in the financial year and contributed to the company's growth in 2023. We intend to build on this successful development and will be at hand to advise the Management Board on the medium to long-term measures it has introduced for organic and inorganic growth. Our company is generally well on the way to achieving the value potential as outlined under its MISSION 2026.

Cooperation between the Supervisory Board and the Management Board

Against this backdrop, and mindful of the extensive challenges from the geopolitical and business environment, the Supervisory Board also performed its duties under the law and the Articles of Association of continuously monitoring the Management Board in the latter's management of the company and regularly consulted with the Management Board on this task in the financial year 2023 as well. The Supervisory Board was able to satisfy itself that the measures were lawful, appropriate and correct at all times. The Management Board fully complied with its duty to provide information and reported to the Supervisory Board regularly, promptly and comprehensively in written and verbal form about all issues pertaining to strategy, planning, business development, the risk situation, risk development and compliance relevant to the company and the Group. This also included information about deviations in actual performance from previously reported targets and divergences in business performance from planning. At all times, the members of the Supervisory Board had ample opportunity to critically examine the reports and resolution proposals submitted by the Management Board and to contribute their own suggestions. In particular, the Supervisory Board engaged in intensive discussions on all business transactions of importance to the company on the basis of written and oral reports from the Management Board, which the Supervisory Board reviewed for plausibility. On several occasions, the Supervisory Board addressed company's risk situation, liquidity planning and the equity situation in detail. The Supervisory Board gave its consent to individual business transactions to the extent required by law, the Articles of Association and the bylaws applicable to the Management Board.

The Chairman of the Supervisory Board also maintained close and regular contact with the Management Board between meetings to exchange information and ideas and kept himself informed about significant developments.

There were no indications of conflicts of interest on the part of members of the Management Board and of the Supervisory Board requiring immediate disclosure to the Supervisory Board, and about which the Annual General Meeting should have been informed.

Meetings and participation

A total of five meetings were held by the Supervisory Board in the financial year (13 January 2023, 6 April 2023, 15 May 2023, 23 August 2023 and 15 December 2023). Likewise, the Audit Committee convened four times. The attendance rate in Supervisory Board meetings and its committees stood at 100 %. All members of the Supervisory Board and its committees participated in all meetings. All meetings of the Supervisory Board and its committees were held in a hybrid format which, along with face-to-face attendance, also permitted participation by way of multi-way sound and visual transmission.

The Supervisory Board has formed an Audit Committee pursuant to Section 107 of the German Stock Corporation Act (AktG). Stefan Thies is Chairman of the Audit Committee, the other members being Ralf Thoenes and Michael Schmidt. The Audit Committee is tasked in particular with monitoring the effectiveness of the internal control system (ICS) and of the financial reporting process, as well as overseeing the audit of the financial statements (here in particular the impartiality required of the auditor). The Audit Committee engaged in detailed discussion with the statutory auditor concerning the assessment of the audit risk, the audit strategy and planning, as well as the audit findings. The Audit Committee's chairman regularly discussed the progress made in the audit process with the statutory auditor and reported accordingly to the Committee. Where necessary, the Audit Committee also consulted with the statutory auditor also without the Management Board.

Supervisory Board resolutions were passed in meetings as well as by way of written circular procedure. All resolutions of the Supervisory Board were passed without any dissenting votes.

The Supervisory Board also maintained a close and regular contact with the Management Board and informed itself of important events between Supervisory Board meetings. In addition to the Supervisory Board meetings, the members of the Supervisory Board discussed matters concerning the company in regular telephone conferences.

Main topics of the Supervisory Board's deliberations

In the past financial year, the Supervisory Board dealt intensively with the strategic development and orientation of the Group. The Supervisory Board exchanged information with the Management Board in a timely manner on significant developments and any measures in the various affiliated companies and discussed these in depth with the Management Board.

Along with the Group's financial figures presented every quarter and the operating performance, the most important topics of consultation in the financial year now ended included the tight situation in the supply chains, the macroeconomic framework conditions emanating from the war in Ukraine, the course set by the policymakers for the energy transition, inflation, and the impact of inflation on the company, along with updates on strategic projects. Further topics of deliberation covered the liquidity forecast, M&A activities, the MISSION 2026, and revising the forecast for the financial year 2023.

The strategic development of e-commerce in the SHAC (Sanitary, Heating and Air Conditioning Technology) segment as another potential IPO candidate was also a focus of the Board's discussion over the course of 2023. In addition, deliberations centred around measures for enhancing efficiency and improving margins, securing procurement processes in view of the persistently difficult delivery and price conditions, as well as implementing the SHAC segment's growth strategy.

In the Renewable Energies segment, the Supervisory Board deliberated on plans for continuing operations and on structuring the facilities for power generation, specifically wind farm repowering and potential project developments in Brandenburg, but also on the possibilities of effective selling operations. Various options were examined and intensively discussed by the Supervisory Board together with the Management Board. Above all, considerations on the future expansion of power generation in the Group and the ongoing strategic positioning of the business played an important role in the Supervisory Board's discussions.

Developments in the companies of the ITC (Information at Telecommunications Technology) segment also formed a topic of intense debate. In this context, emphasis was placed on data centre capacity utilisation and equally on expanding the new Managed Services business line. Moreover, the Supervisory Board addressed issues concerning the takeover and subsequent integration of the cs companies at meetings held over the course of the year.

Other matters addressed at Supervisory Board meetings included compliance and corporate governance issues. As briefly outlined, the Supervisory Board has formed an Audit Committee. This notwithstanding, the individual members on the Supervisory Board have been allocated certain remits and regularly report in meetings on developments in their specific areas. In performing these tasks, the Supervisory Board debates not only the relevant issues, but also consults on efficiency aspects, as well as on how the process can be supplemented and improved. If appropriate, subsequent implementation is initiated.

The German Corporate Governance Code recommends that the Chairman of the Supervisory Board should be prepared to discuss issues specific to the Supervisory Board with investors within an appropriate framework. The Chairman of the Supervisory Board consistently fulfilled this task in the financial year now ended and will continue to do so in the future within the scope of his possibilities.

Along with examination by the Supervisory Board, the company's risk management was also subject to review in the 2023 financial year by Bonn-based auditing company RSM Ebner Stolz GmbH & Co. KG which was mandated with auditing the financial statements for the financial year. The audit confirmed that the company's Management Board took the measures required by Section 91 (2) of the German Stock Corporation Act in an appropriate manner and that the current monitoring system is suitable for the early detection of developments that could jeopardise the company as a going concern.

The Supervisory Board obtained regular information about the development of the risk and opportunities of management and the systems deployed for this purpose and consulted with the Management Board on the company's risk and opportunity situation.

In the opinion of the Supervisory Board, the Management Board remuneration set in place pursuant to Section 162 of the German Stock Corporation Act (AktG) has proven its worth. The Annual General Meeting 2023 which approved the remuneration report based on this remuneration system concurred with this opinion by a large majority.

Corporate Governance

In the reporting year, the members of the Supervisory Board also addressed the issue of the German Corporate Governance Code, as already outlined, discussed the new version which entered into force in the previous year in detail, and derived the necessary consequences. In March 2023, the Management Board and the Supervisory Board also issued a Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act on this basis. The Declaration of Conformity is permanently available for viewing on the website of 3U HOLDING AG (www.3u.net) under the "Investor Relations/Corporate Governance" heading.

In addition, the Management Board also reports on corporate governance at 3U HOLDING AG for the Supervisory Board in its corporate governance statement issued in accordance with Sections 289f and 315d of the German Commercial Code (HGB). The Declaration of Corporate Governance has also been made permanently available on the Company's website under the "Investor Relations/Corporate Governance" heading.

Audit of the 2023 annual financial statements at company and at Group level

RSM Ebner Stolz GmbH & Co., Bonn, were selected as auditors by the Annual General Meeting on 15 May 2023 and were commissioned accordingly by the Supervisory Board to audit the annual financial statements at company and at Group level. The statement of independence required from the external auditor was requested and obtained by the Supervisory Board.

The annual financial statements of 3U HOLDING AG, prepared in accordance with the provisions of the German Commercial Code (HGB), and the consolidated financial statements prepared in accordance with IFRS, together with the combined management report for the financial year 2023, were audited by the independent auditor which issued an unqualified audit opinion respectively. The aforementioned documents and the independent auditor's reports were made available to all members of the Supervisory Board in a timely manner and discussed in detail in the financial statements meeting on 27 March 2024. The auditors responsible reported in this meeting on the key findings of their audit and were available for additional information. In accordance with Section 171 of the German Stock Corporation Act, the Supervisory Board thoroughly examined the separate financial statements of 3U HOLDING AG, the consolidated financial statements and the combined management report for 3U HOLDING AG and raised no objections. The Supervisory Board concurred with the results of the audit of both sets of financial statements by the independent auditor and ratified both the annual financial statements of 3U HOLDING AG and the consolidated financial statements as at 31 December 2023; the annual financial statements are thereby adopted.

Changes to the Supervisory Board

At the Annual General Meeting held on 15 May 2023 Messrs Stefan Thies, Michael Schmidt and Ralf Thoenes were elected for a further term of office as Supervisory Board members. Mr Lennard Lange, Managing Director of Munich-based TOMPAT Invest GmbH, was also newly elected to the Company's governing body. Mr Lennard follows in the footsteps of long-standing member Jürgen Beck-Bazlen who had declared his intention at a prior date of no longer standing for office.

On behalf of the whole Supervisory Board, may I express my special thanks to all the Group's employees and members of the Management Board for their exceptional commitment and their immense personal dedication over the past year. My thanks also go to our valued shareholders who have given us their trust over this period.

Marburg, 27 March 2023

The Supervisory Board

Ralf Thoenes, Chairman

Highlights in 2023

January 2023

- **selfio.de is proclaimed "Industry Champion" at the DtGV Customer Award 2022/23**

The selfio.de online shop, operated by the company of the same name and a subsidiary of the 3U Group, wins several awards at the German Customer Awards of the DtGV (German Association for Consumer Studies mbH, Berlin). The results show that selfio.de is considered one of the best online providers of heating systems. selfio.de wins first place in the "Customer Satisfaction" category and is proclaimed Industry Champion. selfio.de takes third place in the "price-performance ratio" category.

March 2023

- **3U applies for commercial property rights for carbon-neutral heating system**

PELIA Gebäudesysteme GmbH, a 3U subsidiary, files a patent application with the German Patent and Trademark Office for an innovative end-to-end system for the carbon-neutral heating of residential buildings. The core element of the heating system is a heat pump. All components necessary for the system's operation are already installed and interconnected. Installing the pre-assembled complete system can now be completed in a fraction of the time previously needed for the connection process. The market launch of the unique system is to commence in good time before the start of the 2023 heating period.

- **New customers for 3U TELECOM GmbH's next generation network**

Agreements on the use of 3U TELECOM's next generation network (NGN) of 3U TELECOM, a wholly-owned subsidiary of 3U HOLDING AG, have been concluded with two international telephone companies. A company from Austria and a company based in Paris are now able to implement domestic telephone connections with immediate effect to drive expansion in Germany. The offer of a virtual subscriber network (vSN) is anchored in the powerful and proven NGN infrastructure of 3U. Furthermore, the new customers also use the 3U Group's number management and porting database.

April 2023

- **Market launch of balcony solar modules with new customer group for e-commerce operations**

Selfio GmbH has expanded its product portfolio to include balcony power systems. The plug-in solar power systems enable customers of the 3U online e-tailer to use the plug-and-play system themselves to feed electricity from solar energy directly into their own residential power grid. The plug-in solar power systems can generate power up to the maximum feed-in limit of currently 600 watts per household. Thanks to the current current legal provisions, private customers in Germany can purchase the systems without paying VAT.

- **3U HOLDING AG acquires land in Marburg's Cappel district**

3U acquires a piece of land from the City of Marburg of around 3,200 square metres in the Cappel district. A purchase agreement was con- cluded on 20 April 2023. The company intends to build its new company headquarters on the site and relocate to the new building before the end of 2024. 3U is aiming to operate the building in a carbon-neutral manner. Along with installing sustainable heating and cooling systems, there are plans to install a large photovoltaic system on the roof.

- **selfio.de ranks among the "Top Shops" of COMPUTER BILD and Statista for the sixth time**

selfio.de, a leading e-tailer of home technology products, is once more included in the ranking of the magazine COMPUTER BILD and the market research portal Statista, meaning that selfio.de has won an award for the sixth time in a row in this competition. The 3U subsidiary's e-commerce shop therefore features among the 39 Top Shops in 2023 in the "home technology" segment. The extensive range of home technology products, along with innovative solutions for saving energy, and flanked by reliable customer service and unique support and advice, runs like a recurring theme, permeating the 3U e-tailer's market presence. The company forms a key strategic focus of the 3U Group.

May 2023

- **Annual General Meeting approves record dividend payout of EUR 3.20 per share certificate**

By way of a resolution passed by the Annual General Meeting, more than EUR 117.4 million, equal to two thirds of the 2022 consolidated result, is to be distributed to the shareholders. Furthermore, all resolutions on the agenda put forward for decision were passed by a large majority. The members of the Management Board and the Supervisory Board were discharged by a large majority, the remuneration report ratified, and the accounting and consulting firm RSM Ebner Stolz GmbH & Co. KG from Bonn was appointed as an independent auditor for the financial year 2023. Three of the four Supervisory Board members were re-elected, including Ralf Thoenes, Chairman in office, and Stefan Thies as Vice Chairman. As Mr Jürgen Beck-Bazlen was no longer available for a further term of office on the Supervisory Board, the Annual General Meeting elected Mr Lenard Lange, Managing Director of Munich-based TOMPAT Invest GmbH, as a new member of the Board.

June 2023

- **Bundesbank attests to 3U HOLDING AG's "ECB-eligible" credit standing**

Deutsche Bundesbank has classified 3U as qualifying for Eurosystem credit operations for the first time. Companies classified by the Bundesbank's credit rating analysis as being ECB-eligible are treated in terms of monetary policy by the Bundesbank and by other central banks forming part of the Eurosystem as companies which have been rated investment grade by one of the rating agencies recognised by the Eurosystem for credit operations purposes. The rating is based on an analysis of 3U HOLDING AG's separate and consolidated financial statements as at 31 December 2021.

- **3U announces significant expansion of nominal output in the Renewable Energies segment**

A contribution by the 3U Group to achieving the national climate targets consists of significantly ramping up power production in its Renewable Energies segment. To this end, the company is pursuing a two-prong approach: repowering, i. e. replacing the existing wind turbines by more sophisticated, new turbines at the cutting-edge of technology, flanked by project development entailing the planning and building of new wind farms. An application for repowering part of the Langendorf wind farm in Saxony-Anhalt, for instance, provides for replacing seven of the existing wind turbines by five new ones with an output of 6.2 MW each. Once the project has been implemented, the wind farm's output can be raised from 22.5 MW to 43 MW. In addition, 3U is resuming its activities to develop new wind farms in Brandenburg. Realising the projects will deliver an anticipated 80 MW of additional nominal power. If the planned undertakings are fully implemented, the Group's nominal output will be raised to around 150 MW to 200 MW.

July 2023

- **Management Board presents MISSION 2026**

The Management Board presents the key components of MISSION 2026 under the motto of "Strong Growth Paired With Value" as its new strategy for creating value in the coming years. The Group will be rigorously aligned to dynamic revenue growth, coupled with raising profitability. Management has defined growth initiatives in the Group's three segments with the aim of leveraging potential value of up to EUR 620 million by the end of 2026.

- **New design for 3U HOLDING AG's website featuring even more functionalities**

Launched on 18 July 2023, 3U HOLDING AG's website has been given a fresh look. www.3u.net as 3U's online presence offers visitors to the website direct access to a wealth of documents and materials, both up-to-date and historical. The relaunch features a new, contemporary design and functions which are easier to navigate. The responsive design enables the content to be displayed on all devices in customary usage.

August 2023

- **3U initiates the production, sales and distribution of ThermCube**

The modular, prefabricated heat pump central heating unit in a cabinet enables the fast and cost-effective installation of a complete heat pump system, facilitating the switch to carbon-neutral, environmentally compatible heating. All the components necessary for operation are permanently installed, hydraulically connected, and electrically prewired. Installing the pre-assembled complete system can now be completed in a fraction of the time previously needed for the connection process. ThermCube is suitable for detached and semi-detached homes with overall heating requirements of 6–11 kW, both in new and in existing buildings. ThermCube's footprint is less than one square metre. Along with specialists in the trade, ThermCube can also be installed in the home by DIYers and non-specialised tradespeople.

- **3U takes over ITC system house in southern Germany**

August 2023 sees the Group buy all the shares in cs communication Systems GmbH and cs network GmbH based in Pleidelsheim, with locations in Nuremberg and Leipzig. The purchase price is funded from the Group's own financial resources. The cs Group, which specialises in TC systems, cloud solutions, along with network and fibre optic technology, has operated successfully in the telecommunications technology market since 1990. Emphasis is placed in particular on migrating corporate customers' telecommunications systems to the cloud and connecting up their internal and external communications to Microsoft Teams. The cs Group has around 400 existing customers and addresses the market for medium-sized enterprises and public-sector clients with 20 to 300 office workplaces. By acquiring the cs Group, the 3U Group has expanded its portfolio of innovative solutions in the field of telecommunications and information technology, along with its offer of managed services, while strengthening its presence in southern Germany.

September 2023

- **3U resolves share buyback**

In September 2023, 3U HOLDING AG's Management Board resolves to repurchase up to 3,670,051 of its own shares by way of a voluntary public share buyback offer at an offer price of EUR 2.45 per share. In the context of the public share buyback offer, the Management Board avails itself of the authorisation approved by the Annual General Meeting. The repurchased shares may be used for all purposes designated in the authorising resolution. However, preference is placed on using the funds to finance future acquisitions of other companies.

October 2023

- **selfio.de wins the TREND SHOP 2024 award**

selfio.de is awarded the "TREND-SHOP 2024" by the COMPUTER BILD magazine and the market research portal Statista. Online traders who have enjoyed the greatest success in recent years have therefore been honoured for the fourth time. The "Technical Quality" and "Growth" receive "very high" and "very strong" ratings from the jury. The comprehensive offer of home technology products, flanked by numerous product innovations for saving energy, combined with a reliable customer service and unique advisory service runs like a thread through the entire market presence of the 3U's e-commerce operations, which is one of the 3U Group's strategic focuses.

November 2023

- **3U brings share buyback offer to a successful conclusion**

3U has successfully concluded its share buyback offer for the purchase of a total of 3,670,051 shares against payment of a fixed price of EUR 2.45. Upon expiry of the period of acceptance on 1 November 2023, a total of 3,240,665 were submitted for repurchase. This was 88.3 % of the maximum buyback volume. All offers tendered by the shareholders were considered in full, and there was no oversubscription. The purchase price for repurchasing the shares amounted to around EUR 7.9 million in total.

The 3U Share

The 3U share at a glance

International securities identification number (ISIN)	DE0005167902
Securities identification number (WKN)	516790
Ticker (Reuters/Bloomberg)	UUU
Transparency level	Prime Standard
Designated sponsor	BankM AG
Initial listing	26 November 1999
Industry-specific indices	CDAX, Prime All Share, Classic All Share

The shares of 3U HOLDING AG are no-par value bearer shares and are listed on Prime Standard of the Frankfurt Stock Exchange. Along with trading on Xetra in Frankfurt and on the floor, the share is also traded OTT in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart, as well as on Tradegate.

Under the existing participation programme for employees and managers within the Group of 3U HOLDING AG, allocated share options were exercised by employees in the financial year 2023. Members of the Management Board and of the Supervisory Board also participated in exercising the share options. These activities raised the number of shares outstanding as of 31 December 2023 by 983,332 to 36,813,014 in total. The exercise price for the option rights amounted to EUR 1.24 per share.

On 1 January 2024, a total of 119,000 options issued were still available for exercising. Further information on the share option scheme is included the Notes to the consolidated financial statements.

Key figures for the 3U stock		2023	2022	2021
Number of shares as of 31 December		36,813,014	35,829,682	35,314,016
Closing price (year-end Xetra)	EUR	2.05	4.14	3.95
High/low (Xetra)	EUR	5.84/2.02	4.33/2.08	4.67/2.22
Performance absolute/relative	EUR/%	-2.09/-50.5	0.19/4.8	1.71/76.3
Market capitalisation (year-end Xetra)	EUR million	75.5	148.3	139.5
Average daily turnover*	shares*	159,763	54,758	40,811
PER (basis high/basis low)		83.4/28.9	1.0/0.5	58.4/27.8
Earnings per share (basic)	EUR	0.07	4.50	0.08

*Source: Deutsche Börse; includes trading on Xetra, in Frankfurt; Munich, Berlin, Düsseldorf, Hamburg, Hanover as well as Stuttgart and Tradegate.

General market development

A salient feature of the financial markets in 2023 consisted of the discrepancy between the behaviour of the business community and that of the stock markets. This was particularly applicable to Germany. Europe's largest economy suffered a recession, with a marginal decline of around 0.4 % in GDP – but Germany's stock market nevertheless ranked among 2023's best-in-class in Europe. Despite wars in Ukraine and in the Middle East, lacklustre economic data and the budgetary crisis, the stock market performed well in 2023.

Stock market activity in the financial year now ended was determined by three factors above all: Russia's war of aggression against Ukraine, the fight against inflation and rising interest rates. At the start of the year, the inflation rate in the euro area still stood at 8.6 %. In December 2023, it was measured at 2.9 % and therefore close to the target market of 2.0 %. Following a banking crisis in the spring, which culminated in Europe in the bankruptcy of the major Swiss bank Credit Suisse, sentiment hit rock bottom. Germany's share index (DAX) dropped to 14,600 points. The gradually tangible, negative impact of the drastic key rate hikes fuelled growing uncertainty, and the subdued economic outlook placed an additional burden on the stock markets. Rising interest rates meant that refinancing was more expensive for companies while making bonds a serious investment alternative again. Concerns were exacerbated by fears that the economy would dip even further as a result of falling corporate earnings.

A second low point was reached in October 2023, and then came the reversal. The concept of a "pause in the rate-hiking cycle" made the rounds, with talk even of possible interest rate cuts. An additional boost came from the prospect of improved growth for the German economy in 2024, driven mainly by China. Even though these steps are only expected in the coming months, the resulting hopes lifted the DAX over the 17,000 mark for the first time in its 35-year history. At the end of the year, the DAX stood at 16,752 points, reflecting an increase of a good 20 % compared with the beginning of the year.

Performance of the 3U share

The share of 3U HOLDING AG began the stock market year at a closing price of EUR 4.20 on 2 January 2023. Following the start of March when the Management Board and the Supervisory Board communicated their plans for profit appropriation and their intention of distributing a record dividend of EUR 3.20, the share price climbed in the days thereafter to its high for the year of EUR 5.84 on 4 April 2023. Up until the Annual General Meeting, the share was quoted at a stable level above the five-euro mark, as expected. Following the dividend payout in mid-May, many shareholders withdrew and ended their investment in the 3U share. Their decision resulted in the share price falling to below EUR 3.00 and in a significant increase in the trading volume.

In the following weeks, the share price declined to a temporary low of EUR 2.20 under sustained selling pressure through to start of July. With the prospect of new medium-term growth targets in the context of publishing the MISSION 2026, the share price entered an uptrend, and peaked briefly and temporarily at EUR 2.77 in mid-July. The 3U share was subsequently unable to decouple from the poor overall market environment and slipped again to a price of EUR 2.18.

Given the development in the share price and the steady and comfortable financial situation of the Group, the Management Board decided to buy back 3U shares and made an official buyback offer to all shareholders at the end of September. The acceptance window, which lasted until 1 November 2023, along with the offer price of EUR 2.45 per share, ensured a sound stabilisation of the share price trend over the period, particularly against the backdrop of the unfavourable conditions. In response to the revised forecast, the share price dropped again at the start of November and, on 4 December 2023, settled at its lowest price for the year of EUR 2.02. The 3U share closed the stock market year on 29 December at a price of EUR 2.05. 3U's total shareholder return (share price trend from the last closing price in 2022 through to the last closing price of 2023, taking account of the dividend payout in the financial year) came in at 256.1 % due in particular to the generous profit distribution (2022: 6.1 %).

In view of the lucrative dividend prospects, the trading activities of investors in our share also increased sharply in 2023. Consequently, the average number traded per day on Xetra, the floor exchanges and Tradegate soared from 54,758 to 179,763 units in comparison with 2022.

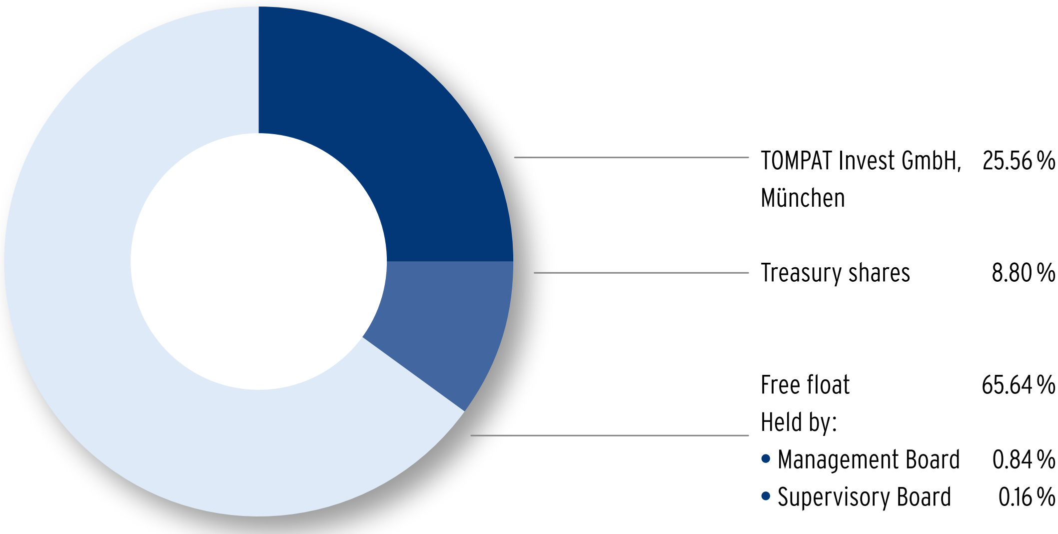
Performance of the 3U share* from 1 January until 29 February 2024 versus the Prime All Share Index

Source: EQS Group AG

*Xetra daily closing price

At the start of the current year 2024, the 3U share price declined initially to EUR 1.81 through to the end of January and then subsequently fluctuated within range of between EUR 1.85 and EUR 1.94 through to the beginning of March 2024 (editorial deadline for this section of the annual report).

Shareholder structure as of 29 February 2024*



*Based on the received voting rights

A detailed listing of the shareholdings of the company's Management Board and Supervisory Board of the company can be found in the notes to the consolidated financial statements under notes 8.3 and 8.7.

Investor Relations

In the financial year 2023, we continued to consistently implement our successful capital market strategy. The Group's strategic direction essentially consists of concentrating on successful business models in the ITC, Renewable Energies and SHAC segments. In these endeavours 3U focuses on the mega trends of digitalisation, sourcing power from renewable energies and e-commerce as high-growth areas of business offering the promising prospect of achieving significant value added for the Group.

As the management and investment holding, 3U HOLDING AG operates several diversified business models. In this context, a major objective of Investor Relations' work at 3U is to promote an understanding on the capital market for the company's various competitive positions and prospects, and to report continuously on developments and progress.

We place great importance on maintaining close contact with our investors. Along with conventional information channels, such as our newly designed and launched www.3u.net website and our newsletter, we used and further expanded our communication channels in 2023. We report on the Group, provide background information, and encourage dialogue at all levels under the claim of "Success in Mega Trends". Along with our YouTube channel, a profile was created for 3U on LinkedIn which comments on and disseminates updated market information and topics from our three segments. We increasingly supplement the commentary on the quarterly and half-yearly figures by adding virtual formats and social media contributions, while making the core components permanently available on the website as well.

In order to reach as many target groups as possible, Investor Relations is represented on virtual and on-site events for private and institutional investors, sends all reports and press releases also to subscribers to its newsletter, and provides unrestricted access to background information and interviews by way of releasing video and audio clips on the company's website and on the YouTube channel for all interested parties. We therefore engage consistently in fostering open and trustful communication with all shareholders, investors and other capital market participants.

Capital market participants' interest in 3U remained keen also in the financial year now ended. Company delegates represented the company at a total of eight conferences, both virtual and in person, in Germany and in Switzerland. In addition, two roadshows were held in Frankfurt and Munich.

Greater coverage on the company was conducted in the financial year 2023. All reports can be downloaded from our website. In this way, we provide investors with a diversified overview of independent, external analyses of the company. A monthly fact sheet supplements the overview of the 3U share on the website. As of 31 December 2023, our analysts set the average target price for the 3U share at EUR 3.13 (31 December 2022: EUR 5.65).

Analyst	Last update	Recommen-dation	Share price target in EUR
Jens Nielsen – GSC Research	14/11/2023	Buy	3.10
Dr. Adam Jakubowski – SMC Research	13/11/2023	Buy	3.40
Christoph Hoffmann – montega	09/11/2023	Buy	2.90

Our Annual General Meeting, held as a face-to-face event in Marburg on 15 May 2023, met with an enthusiastic response and was generally positively received. Management responded fully and in detail to the questions and contributions of the shareholder representatives and the shareholders. All documents on the Annual General Meeting have been made permanently available for viewing on the company's website at www.3u.net. The resolutions put forward by management were adopted by a clear majority, and discharge was granted to the Management Board and Supervisory Board. The shareholders not only approved payment of dividend amounting to EUR 3.20 per share certificate by a large majority, they also approved the agenda items which, among other topics, also permit the conducting of virtual annual general meetings in the future in accordance with the Articles of Association. Members of the Supervisory Board were also newly elected by a large majority. Lennard Lange, Managing Director of TOMPAT Invest GmbH, took his place as a new member of the Group's Supervisory Board. He therefore follows in the footsteps of long-standing member Jürgen Beck-Bazlen who had declared his intention at a prior date of no longer standing for office.

Dividend metrics		2022	2021	2020
Dividend per share	EUR	3.20	0.05	0.05
Total dividend payout	EUR million	117.4	1.8	1.8
Dividend yield*	%	62.7	2.2	1.5
Payout Ratio**	%	75.1	62.5	55.6
Total Shareholder Return	%	256.1	6.1	178.6

*Pertaining to the closing price on the day of the Annual Gen Meeting
**Pertaining to shareholder return

Against the backdrop of the comfortable cushion of liquidity and the 3U share's price trend, the company's Management Board and the Supervisory Board decided to buy back up to 3,670,051 shares at a price of EUR 2.45 per share certificate by way of a voluntary public share buyback offer. The offer price corresponded to a premium of around 9.4 % in relation to the arithmetic mean of the prices of the company's no-par value shares in the closing auction in Xetra trading on the Frankfurt Stock Exchange during the last trading days prior to the publication of the decision to submit a public offer to buy. At the end of the offer period, the company received an offer to buy back a total of 3,240,665 3U shares, equivalent to 88.30 % of the maximum buyback volume. Consequently, the programme was not fully utilised, which was interpreted by 3U HOLDING AG's governing bodies as a good sign. Accordingly, the Group therefore holds 8.80 % of the current share capital in the form of treasury shares. These treasury shares do not carry voting or dividend rights. The company used funds totalling EUR 7,939,629.25 for the share buyback. The repurchased shares may be used for all purposes designated in the authorising resolution. However, preference is placed on using the funds to finance future acquisitions of other companies to accelerate its own growth trajectory.

Combined Management Report

Background information

Business model

3U HOLDING AG is the operating management and investment holding company which heads up the 3U Group (hereinafter "3U" for short). The company manages and monitors all important activities within the Group. Defining the corporate strategy and directing the development of 3U form part of its tasks. 3U HOLDING AG is responsible for accounting and controlling and, in addition, operates groupwide risk and opportunities management, including data protection and compliance management. Furthermore, the company is responsible for the central departments of Personnel, Legal Affairs, Investor Relations and Corporate Communication.

3U HOLDING AG also manages cash pooling and allocates financial resources, for capital expenditure and acquisitions, for instance. The members of 3U HOLDING AG's Management Board have operational responsibility in dual roles as managing directors of Group companies.

In accordance with its articles of association, 3U HOLDING AG's business model comprises the acquisition, management and the sale of participating investments in national and international companies, along with the administration of its own assets. 3U's activities are largely focused on Germany, as well as on neighbouring European countries. The company's core business is currently essentially combined under the three diversified segments of ITC (Information and Telecommunications Technology), Renewable Energies and SHAC (Sanitary, Heating and Air Conditioning Technology).

The management report on the Group was combined pursuant to Section 315 (5) of the German Commercial Code (HGB) in conjunction with Section 298 (2) HGB with the management report on 3U HOLDING AG as the expected development with its significant opportunities and risks of the Group correspond to those of in the parent company. The management report is therefore called the combined management report.

3U HOLDING AG places special emphasis in its corporate strategy on the major growth driver of e-commerce (SHAC segment), on the swift expansion of the new Managed Services business (ITC segment), along with raising the volume of power generated through repowering projects in existing and in the development of new wind farms (Renewable Energies segment). Real estate projects are carried out at the level of the holding. In addition, the Group operates other businesses in its three segments.

The ITC (Information and Telecommunications Technology) segment comprises several business lines. The Group companies operating in the Telecommunications business provide services in the business lines of Voice Retail, Voice Business and Data Center & Managed Services. The Voice Retail business offers private fixed-line users a range of products for cost-effective and reliable connections. Business customers (Voice Business) use the voice termination products (wholesale, resale), meaning the running of traffic to receivers of calls over 3U's own next generation network, along with several value-added services.

The growing demand for collocation services and secure data centre capacity is covered by the Data Center & Managed Services business line. Our own data centres in Berlin, Hanover and Marburg provide an extensive offering of services. These data centres offer corporate customers the operation and active support of IT environments or virtual servers (Infrastructure-as-a-Service (IaaS)), and also make space available for setting up servers (collocation).

The range of Managed Services was expanded further in the financial year 2023, in line with expectations. In providing these services, 3U addresses the megatrend of digitalisation, in particular in the segment of German SMBs. Customers outsource the responsibility for their entire communications and data infrastructure, including cloud administration, cyber security, mobile device management and managed desktop services (managing and maintaining terminals and virtual work environments) to 3U. Furthermore, by acquiring of cs communication systems GmbH and cs network GmbH telecommunication services (hereinafter the cs Group or cs companies) in the reporting year, 3U succeeded in supplementing its own portfolio of innovative solutions in the field of telecommunications and information technology, along with customised Managed Services specifically targeting SMB customers. This offer will be further expanded in the future, the aim being for it to make a significant contribution to segment's future revenues and earnings growth.

Aside from the reliable operation of technical infrastructure, achieving business success in this segment hinges on winning and retaining qualified employees and successful marketing and sales activities.

3U engages in the Renewable Energies segment as the owner and operator of wind energy and photovoltaic plants. The significant improvement in political framework conditions in Germany has brought developing new wind farm projects back into the focus of strategic undertakings. The company owns the rights to various wind energy projects in the Federal State of Brandenburg which are now to be resumed and developed further under improved framework conditions. Success in this segment therefore essentially depends on weather conditions, along with the technical quality and availability of the respective facilities. Solar irradiation and wind yield are not within the operator's sphere of influence. Through the professional monitoring and maintenance of the wind farms, 3U HOLDING AG and its subsidiaries in their role of operator achieve high technical availability of the facilities as a prerequisite for generating power.

A similarly important role is played by the conditions under which utility companies purchase the electricity generated and for selling via electricity exchanges, along with regulatory intervention into electricity markets, examples being a cap on selling prices and skimming. Income from selling the electricity is calculated as the outcome of the electricity volumes fed into the grid and the respectively remunerated price. Consequently, negotiations on price and contractual arrangements by management and the general electricity price level impact the extent to which the facilities achieve commercial success.

In the case of the Adelebsen Solar Park, 3U receives feed-in remuneration of EUR 195 per MWh through to the year 2032 under Germany's Renewable Energies Act (EEG). In 2023, the Group concluded power supply contracts and power purchase agreements for three wind farms, two of which with conditions at fixed prices. In the reporting year, energy generated by the wind turbines in Langendorf was sold at the respective monthly price prevailing on the market.

In entrepreneurial terms, growth can be achieved first and foremost through acquiring or building other generating capacities. To this end, the company had already submitted an application in the previous year with respect to measures for re-powering the Langendorf Wind Farm, which has been granted in March 2024. At the present point in time, 15 wind turbines with a nominal output of 1.5 MW per turbine are operated in Langendorf. The application provides for the replacement of seven of these turbines by five new turbines, each with a nominal output of 6.2 MW. Once the project has been implemented, the wind farm's output could be raised from 22.5 MW to 43 MW. The new facilities could also produce double as much electricity per megawatt nominal output as the existing ones. After repowering, the Langendorf Wind Farm would therefore be able to raise its power producing capacity from an average of currently around 32 GWh to around 100 GWh. The eight remaining old turbines will continue to be operated during the construction phase and thereafter. The commissioning of the new facilities depends on the process of delivery periods, and how actual the construction goes, and is anticipated for the fourth quarter of 2025.

In expectation of the necessary application and approval procedures for a possible repowering of the Klostermoor Wind Farm, 3U has conducted positive initial discussions upfront with the local authorities and has already renewed the lease agreements with the respective landowners. With the planned replacement of the six existing wind turbines by three state-of-the-art wind turbines, the wind farm's installed capacity is then to be raised by a factor of 3.5, from currently 6 MW to 21 MW.

If the legal preconditions for the Roge Wind Farm and further areas in the Langendorf Wind Farm permit, additional repowering projects could also be planned and implemented there once official approval has been obtained.

Generating value in the portfolio may lead to the formation of hidden reserves, which can be disclosed and realised on occasion through the sale of facilities.

Selfio GmbH ("Selfio") is the largest and most promising Group company in the SHAC (Sanitary, Heating and Air Conditioning Technology) segment. The company offers builder-owners and DIYers a wide range of systems and products covering the entire construction works of sanitary, heating and air conditioning (mainly private customers, B2C) which can be procured online, as well as support in planning customers' projects. The extensive online advisory service, also by means of video clips, can be considered one of Selfio's competitive advantages. Along with activity levels in the construction industry, brand awareness and successful professional online marketing above all, including the efficient management of offerings and prices, with the requisite logistics processes, are key to safeguarding and generating competitive advantage in e-commerce. As an online vendor, the 3U Group can score points in the competitive arena first and foremost by offering reliable delivery capability, flanked by first-rate advice and attractive conditions.

In addition, the segment's revenue growth can be accelerated by extending the range of products and services, in particular by introducing innovative, highly desirable products for climate-neutral heating and power generation. In this context, 3U added balcony solar power systems and the ThermCube to its product range in the financial year now ended. ThermCube is an innovative concept developed in-house which includes all the necessary electrical, hydraulic and pneumatic components, prefabricated and installed, for a heating system in one cabinet. The portfolio is supplemented by branded products and products from the smart home range.

Managing the supply chain for e-commerce and procurement are the responsibility of PELIA Gebäudesysteme GmbH, a Group company which also supplies third parties directly with sanitary, heating and air conditioning technology (B2B). PELIA, a company based in Koblenz, operates a contemporary manufacturing and logistics hub covering a total surface area of 14,000 square metres in which products are manufactured, stored, picked and dispatched. Two other companies currently operate to a smaller extent in the business of leasing professional machinery and tools for DIYers and self-builders, as well as providing support for and supplying tradespeople.

Main locations

The 3U Group’s holding and its segments operate their business from several locations in Germany. The parent company’s head office and headquarters are in Marburg. The holding company provides services for its subsidiaries from this location and, in accordance with the corporate purpose, manages participating investments (acquisition, administration and disposal) as well as its own asset base.

Furthermore, headquarters also houses the ITC segment with several individual companies. Upon the takeover of cs communication Systems GmbH and of cs network GmbH in August 2023, further locations in Pleidelsheim, Nuremberg and Leipzig were added. The Group’s own data centres, dedicated to providing collocation services and ensuring the availability of data centre capacities in the ITC segment, are operated out of Hanover, Berlin and Marburg.

The SHAC e-commerce business, combined under the two Selfio companies, and PELIA is headquartered in Bad Honnef and Koblenz respectively. The segment has a large logistics hub in Koblenz where the prefabrication of ThermCube, the heat pump central heating unit in a cabinet, takes place.

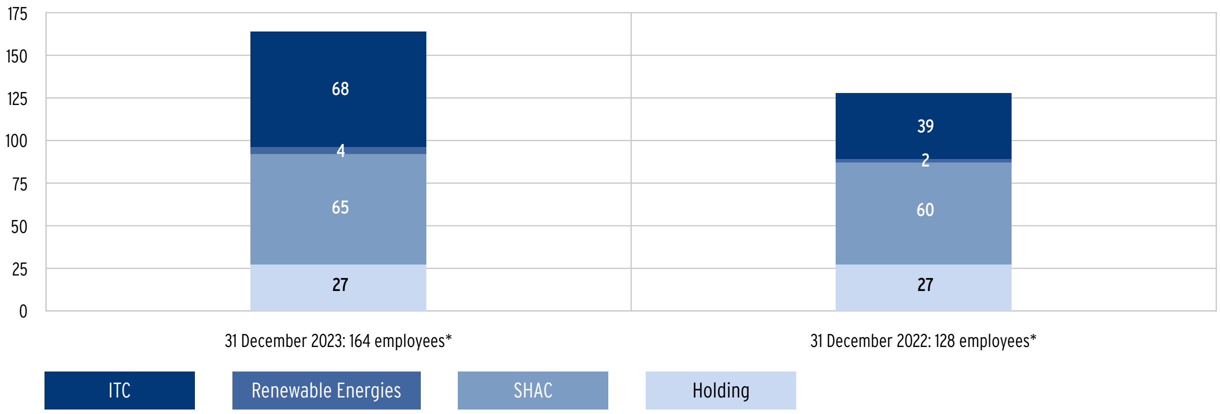
The wind farm portfolio in the Renewable Energies segment with locations in Klostermoor (Lower Saxony), Roge (Mecklenburg-Western Pomerania) and Langendorf (Saxony-Anhalt) is managed from Marburg. The Adelebsen Solar Park is also located in Lower Saxony.

Locations of the 3U Group

Employees

Particularly in the technologically sophisticated mega trends in which 3U companies engage highly qualified and motivated employees are a prerequisite for safeguarding a company's long-term success. Responsible personnel development and continuous improvement play a key role in these endeavours. The sustainable development and targeted promotion of the potential of all employees makes this a core task of the company's HR management. Concerted personnel development is one of the ways in which 3U strives to enhance its attractiveness as an employer and to reinforce the identification of employees with the company and their commitment to the respective goals.

As of 31 December 2023, the 3U Group employed a workforce of 186 persons in total (including Management Board members, temporary employees and part-time staff; 31 December 2022: 143 persons). The significant increase of 44 employees in the headcount is mainly due to the acquisition of the cs companies. Converted into full-time equivalents, the Group employed 164 persons at the end of 2023. As of 31 December 2022, 128 persons were deployed in continuing operations (full-time equivalents, excluding Management Board members). The workforce is distributed among the individual segments as follows:



*Full-time equivalents

From the perspective of the Management Board the employees make a decisive contribution with their ideas to increasing profitability and sharpening the company's competitive edge. A cooperative and communicative climate is therefore fostered in the Group to encourage and motivate employees to make proposals for optimising the products and workflows, for synergies and for making other improvements in the Group. The remuneration system depends on the tasks performed and is divided into fixed and variable components so that above-average performance can be appropriately rewarded.

Ultimately, fostering dedication and commitment is also aimed at employee retention. 3U attaches special importance to retaining and safeguarding the experience and skills which employees contribute, that they gain through their activities and put at the disposal of the customers and the company. Loyalty to 3U is also to be additionally strengthened through a range of measures focusing on social aspects. Fluctuation increased slightly in 2023: A total of 6.2 % of the employees left the company at their own wish (2022: 3.6 %). The most frequent reasons for resigning from the employment relationship include temporary employment contracts coming to an end and the amicable termination of the working relationship.

Promoting the health of the employees

3U has based its understanding of health on the definition of the World Health Organisation (WHO) as being physical, mental and social wellbeing. With a view to sustainably protecting and fostering the health of our employees, targeted measures are implemented in the Group. The Group supports its employees' healthcare. In addition, employees have the option of participating in internal and external training and continuous professional development.

Regular training measures are aimed at increasing safety at the workplace. As in previous years, no employee suffered lasting damage to their health from an accident at the workplace in the financial year 2023. Whereas the sickness rate in the previous year was still partly under the major impact of COVID-19, the number of sick leave days per employee declined to a gratifying level of 14.3 in the financial year 2023 (2022: 14.7 sick leave days per employee).

Management and control system

The 3U Group's structure and organisation are subject to continuous review and improvement. Ongoing adjustments to the organisation structures ensure clear accountability. Responsibilities within the monitoring, planning and management system are thus clearly defined. The monitoring and planning system essentially consists of management information on a monthly basis, including the monthly forecast and liquidity analysis, and risk reporting every six months. In addition, the Management Board and the managing directors of the subsidiaries engage in regular communication with one another for coordination purposes.

The management system is geared to revenue planning as well as to the EBITDA and EAT (earnings after taxes) targets for the next twelve months respectively. Planning for the two subsequent financial years is based on the detailed planning of the first planning year. The assumptions for revenue planning are analysed at the level of the respective company. At market level, they include regulatory projects, capital market outlooks and industry trends. Cost planning draws on assumptions made in particular regarding the development of procurement prices, headcount, wages and salaries, as well as other income and expenses.

Changes or deviations relevant to earnings over the course of the year are communicated through direct and up-to-date ad-hoc reporting between the Management Board and the managing directors. The organisational structures and components of the management system therefore form a holistic mechanism which links up strategic and operating company levels.

Providing a forecast on the impact of tax-related matters on the consolidated result or estimating future interest rate developments is associated with significant uncertainty. In addition, such aspects can only be actively used for management purposes in the interests of the Group to a limited extent. Consequently, 3U is planning to focus on the key financials previously deployed for management purposes. This change in approach will impact the management process, along with the future scope of forecast reporting. In the context of the 2025 forecast and for the first time, solely information on the parameters of revenue, revenue growth, operating earnings before taxes, taxes, depreciation and amortisation, as well as the EBITDA margin, will be provided on the Group and the segments. For the aforementioned reasons, publications and statements on planned EAT and earnings per share will therefore no longer be released and made as from this date.

Goals and strategy

As a management and holding company, 3U HOLDING AG views raising the value of its assets in the interest of all stakeholders as its corporate purpose and as part of its mission. Under the motto of "Strong Growth Paired With Value", 3U's Management Board presented the company's new MISSION 2026 in July 2023. The Mission is aimed at enabling 3U to enter the next stage of profitability and at leveraging the Group's inherent value potential to progress to the next level of profitability. The resulting targets defined for the medium term are anchored in the Group's advanced, sound growth strategy developed some years ago and successfully implemented since then. The heart of the new mission consists of progressing rigorously in aligning all activities with dynamic revenue growth, flanked by sustainable growth in earnings and value.

To this end, management has restructured growth initiatives and partly already launched them in the three segments of SHAC (e-commerce), Renewable Energies and ITC (digitalisation), with the aim of enhancing value in a range of between EUR 510 million and EUR 620 million by 2026. These plans are anchored i.a. in a comprehensive investment programme of more than EUR 220 million.

In the SHAC (Sanitary, Heating and Air Conditioning Technology) segment, and therefore in SHAC e-commerce, 3U will be striving to raise revenues from currently around EUR 30 million to more than EUR 150 million by 2026. Leveraging value potential of EUR 300 million to EUR 350 million is targeted. The foundations underpinning these endeavours consist of the excellent framework conditions owing to the statutory heating transition and the concurrent growing lack of skilled workers. In addition, strong organic growth through expanding the product range and developing new market segments, accompanied by the acquisition of profitable companies which supplement the offering, are also anticipated within the scope of the strategy. The significant improvement in the EBITDA margin by up to 8 % is to be achieved by enhancing efficiency, economies of scale and the gradual increase in the share of proprietary brands. Funds of between EUR 80 million and EUR 100 million have been earmarked for financing acquisitions.

In the Renewable Energies segment, 3U intends to exploit the improvement in the regulatory framework conditions in order to significantly expand its wind farm portfolio. With this in mind, projects in repowering and in project development already under way will be connected up to the grid step by step as from 2025, depending on progress made with planning, approval and construction. 3U anticipates financing requirements customary in the market in a range of more than EUR 150 million for trebling the nominal output, as planned, from currently 53 MW to subsequently to between 150 MW and 200 MW. Financing is to be partly secured through eligible loans at favourable interest rates, with a proportion of around 10 % to 20 % funded by the company itself. These measures are aimed at realising value potential of between EUR 150 million and EUR 200 million.

The company is currently evaluating strategic measures in the field of agrivoltaics as an additional promising approach for increasing capacity in the Renewable Energies segment. Agrivoltaic systems generate solar power from solar modules while allowing the cultivation of crops planted between or under the PV modules. Agrivoltaic systems therefore use agricultural land very efficiently without displacing it. Furthermore, they minimise environmentally damaging incursions into local ecosystems. These features raise society's willingness to accept agrivoltaic systems and renewable energies. Due to potential advantages under building law and relating to tax, realising agrivoltaic plants is generally faster than installing conventional ground-mounted photovoltaic projects or wind turbines.

The Management Board sees above-average potential for raising value in the SHAC and Renewable Energies segment through a possible initial public offering or a partial or full sale of parts of the companies in both segments.

3U has increasingly positioned itself in the ITC (Information and Telecommunications Technology) segment as a digitalisation partner providing a high level of expertise and strong customer orientation for SMBs. The organic growth of the Managed Services business is to be accelerated above all by acquiring companies. The EBITDA margin is to be kept at a sustainably high level of 25 % to 30 % in this segment. Management is aiming to leverage value potential for this segment of between EUR 60 million and EUR 70 million by the end of 2026.

3U has extensive funds of its own amounting to more than EUR 55 million for implementing the strategic measures and goals. Furthermore, the Group has access to various financing options and, in this context, can reference sound financial ratios. Financing the investments planned in a volume of more than EUR 220 million has therefore been secured. All in all, an equity portion of likely more than 50 % is to be ensured. Against the backdrop of the ambitious growth programme and the target for raising value, management plans to position the company as a strong dividend-bearing stock, as before, and to continue to distribute around 50 % of net annual income in the form of a lucrative dividend. In the event of successful value realisation, the payout ratio may even considerably exceed this percentage.

Financial and non-financial performance indicators

We use our groupwide financial performance indicators to set goals, to measure success and to define the variable remuneration for management. Our most important financial indicators consist of revenue, earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings after taxes (EAT).

Non-financial performance indicators have not yet been included in regular financial reporting and therefore do not form part of corporate management and control. Nevertheless, non-financial key performance indicators in the individual segments are calculated in accordance with the respective business models and are used for control and support purposes in marketing and in making sales decisions, for instance.

As part of adjusting reporting to growing regulatory requirements and the capital markets' requirements for information in a move towards greater transparency, and also regarding corporate governance, social aspects and impact on the environment, management is currently engaging with aspects of a groupwide ESG strategy. This strategy will take account of the various business models of the holdings, on the one hand while being geared to the values and visions of the parent company, on the other. The key performance indicators of the business models are shown in the following in the form of an annual comparison and an overview provided of the groupwide approach to ensuring a positive impact on social and environmental aspects through corporate governance, alongside commercial success.

Key performance indicators of the business models

Online marketing and sales

3U has many years of experience in the field of online marketing tailored to the respective target groups and oriented towards sales. New communication and sales channels which emerge are investigated at an early date and, if deemed useful, are deployed intensively. In management's estimation, 3U has therefore built a sound competitive position for itself in the high growth, highest revenue generating business segments, which forms a basis for the company's current and future success. As part of expanding its business activities in the field of Managed Services, 3U TELECOM GmbH also further strengthened its sales-oriented marketing in the financial year 2023.

Selfio GmbH as the SHAC segment's largest company differentiates itself from its competitors through its presence in the market and in particular through the high quality of its versatile advice formats. Advice is provided in the form of blogs, detailed installation instructions, also available via an app, videos produced by its in-house media team to a high standard of expertise, and medial competence. An online configurator for planning, floor heating, enabling the design of the respective project to be calculated and any products and tools required to be put directly into the electronic shopping cart, has been offered since 2022. Selfio uses its own platform with shop-in-shop connections to various social media channels and its own specialised web presence for distribution.

Key data on usage is collected and analysed on a running basis for the purpose of measuring performance. These data are subject to high volatility due to logins and logouts.

Under the so-called 12-Point Plan to improve earnings, Selfio GmbH's focus placed on higher margin sales channels continues to increasingly pay off. The trend of customer figures in the context of the current development of revenues shows that implementing the efficiency measures has resulted in larger volumes per individual order.

Customers' price sensitivity against the backdrop of high inflation was evident in their buying patterns in 2023. Particularly regarding acquisitions for building and refurbishment projects that can be deferred, customers were more hesitant in making their purchase decisions. In the opinion of management, the weak revenue growth of continuing operations in the financial year 2023 is also attributable to economic framework conditions and the associated decline in the sector as a whole, and specifically in e-commerce, as well as in the construction industry. This shortfall is principally attributable to the interest rates hikes and political uncertainty, compounded by delays in the Germany's Buildings Energy Act.

The ITC segment contributed to SMB digitalisation. From telephony offerings to private and business customers through to data centre capacities and on to managed IT workplaces, the ITC segment increasingly targets small and mid-sized businesses. The Managed Services range is promoted via a dedicated website at www.uuu.de set up for this purpose. In addition, sales were listed by regular activities in the B2B LinkedIn channel. The interaction of 3U TELECOM GmbH employees with contributions made by their own company shows how strongly they identify with the company's products.

Corporate responsibility

Fulfilling our entrepreneurial responsibility is an integral part of our corporate strategy. We systematically consider the various needs of our stakeholders and have set about improving the impact of our business on the environment, society and the community. In our endeavours, we seek to achieve a balance between economic objectives and environmental, social and corporate responsibility.

3U HOLDING AG's business model consists of acquiring, developing, managing and the divestiture of participating investments. In its function as a service provider of administrative and management tasks and in its role of defining structures, 3U is required to define fundamental standards and processes and to ensure that they are observed. At the same time, the senior management teams of the holdings have the necessary headroom to define their own areas of focus which, at the same time, are geared to sustainable development and are conducive to the success of the business model. This organisation structure places a greater responsibility on the Holding compared with the individual participating investments. Objectives that are meanwhile oriented more towards the environment and society are pursued in the individual Group companies.

3U HOLDING AG

Governance

In staffing the Management Board with experienced decision-makers in the domain of Finance (Christoph Hellrung) and Legal Affairs and Personnel (Andreas Odenbreit), key competences in the decision-making bodies which are deemed elementary for 3U HOLDING AG have been covered. A special role has been assigned to the Group's strategic development under 3U's business model. These tasks are incumbent on the Management Board member responsible for Strategy and Business Development (Uwe Knoke). The Supervisory Board as a corporate body consisting of four members covers these areas of expertise; it can therefore discharge its supervisory and mediating function anchored in in-depth expertise and many years of experience – also in strategic development.

All employees at 3U act on the basis of committing to conducting themselves as law-abiding, fair and transparent competitors and business partners at all times. Senior management, represented by the Management Board and the managers, view themselves as representatives of standards of conduct centered around loyalty and respect defined for the entire Group. Managers are required to be a point of contact for their staff members for job-related and personal problems, to embody regard and to lead by example in respect of valuing and practising shared values.

Shared values form the bedrock of collaboration, performance orientation, innovation, sustainability, community and integrity.

The values and standards of conduct are freely accessible on 3U's Intranet. These values are already anchored in a range of different business models that were and are being developed under the umbrella of 3U HOLDING AG.

Based on these values, and also with a view to promoting and stabilising them, decisions are made, exceptions carefully considered, and rules and regulations adjusted. This particularly impacted the mode of collaboration in teams and across teams during the coronavirus pandemic. As a highly digitalised company, 3U offers all its employees the technology for mobile working. This model includes the already established agreement on core working hours and enables teams to work together flexibly, in line with requirements, both face-to-face and virtually. The structure and culture of collaboration are the responsibility of the individual companies.

Employee satisfaction

A high level of employer attractiveness is important in successfully competing for talented professionals and for building up and retaining a motivated and dedicated workforce. Employer attractiveness covers the full spectrum of features raising the appeal of a company as an employer, such as working conditions, wages and salaries, career opportunities, a work-life balance, corporate culture, social benefits and the company's image.

In this context, we offer a range of interesting incentives which enhance our desirability as an employer. These incentives include, among others, promoting the use of bicycles and/or sustainable mobility within our workforce, through bicycle leasing, for instance, or through obtaining a Deutschlandticket at a favourable rate (cost-effective travel in Germany using local means of transport). Comprehensive continuous professional development opportunities, organised team events, and private pension plans promoted by the company also form part of these benefits.

At the present point in time, 3U is building new headquarters in Marburg to house its administration and designed specifically to suit employee requirements. Endeavours are therefore aimed at improving the workplace of each individual employee.

Data protection

Among other reasons, data protection is of overriding importance, also due to the special responsibility of employees in the departments of Personnel, Finance and Controlling. 3U fulfils this heightened responsibility through an internal data protection officer as well as regular information and IT measures realised, on the one hand, by the Personnel Department and through subsidiary 3U TELECOM GmbH, on the other. The measures carried out by 3U TELECOM GmbH include regular investigations of cyber security standards, identifying weak points by performing internal stress tests: external hacking and manipulation attempts by specialised service providers mandated for this purpose.

Risk management

Risk management in Group companies is embedded in management and part of regular reports submitted to the Management Board. Risks are identified, classified and investigated on a running basis in regular and, if necessary, special Management Board meetings.

Works Council

3U HOLDING AG's Works Council represents employee interests and views itself as a mediator between employer and the employees. In employee meetings, the Works Council reports on joint operations. This being the case, it plays a special role in communicating change, fluctuations and workloads. The use of digital resources (Intranet and virtual employee meetings) enables all employees to have equal access to all information.

Environment

Innovation and sustainability are aspects which are highly prized by the 3U Group. In the past, they have already led to fundamental decisions with a positive impact on the environment and climate protection:

3U has been expanding its own portfolio of wind farms and solar parks since 2010. With participating interests in the Renewable Energies segment, and also in the construction of its own buildings (headquarters in Marburg, warehouse and logistics hub for the e-commerce business in Koblenz), 3U ensures that power is sourced as far as possible from renewable energies. The roof-mounted photovoltaic system in Koblenz, for example, saves up to 60 % of the annual electricity requirements, equivalent to around 132 tons of carbon dioxide.

The Group is fundamentally in favour of and supports the e-mobility of all employees. When taking business trips, all employees are expected to give preference to public means of transport. Managers have the option of using a company car. 3U's fleet of company cars comprised a total of 64 vehicles as of 31 December 2023 (previous year: 31), 60 % of which were pure electric cars or had hybrid engines (previous year: 60 %). The decline in vehicles with environmentally compatible drives compared with the previous years is attributable to acquisitions and results from the takeover of the company cars of the two cs companies. The Group has a total of ten e-vehicle charging points in Marburg and Koblenz, available for use by all the employees.

3U views itself as a digital company in the most economic and ecological sense: We contribute to SMB digitalisation through our business models in the ITC segment. At the same time, we harness 3U TELECOM GmbH's digitalisation offerings in the 3U Group as well. These offerings facilitate process automation. Many areas of work, including those which generate a great deal of paper, such as personnel management and accounting, now function extensively in a paperless environment. Among other aspects, contracts and agreements are signed digitally as far as possible. Furthermore, employees are offered digital payroll statements.

Business report

General conditions

The year 2023 was largely determined by the impact of ongoing war in Ukraine and the escalation in the Gaza strip. The consequences for energy supply and for the general development of prices have left their indelible mark on all people and markets in Europe and across the globe.

In this environment, the policy announced by the German government of ending its dependence on energy imported from Russia resulted, among other things, in a general shortfall of energy and, consequently, in an increase in energy prices, also for renewable energies. This scenario directly impacted 3U HOLDING AG's business segments. Renewable energies and their accelerated development aimed at securing a reliable energy supply in Germany has now become all the more intrinsically important for Germany. Among other considerations, this applies to domestic power production overall, as well as to the transition away from burning fossil fuels in the heating systems of buildings.

3U's business models are subject in varying degrees to a range of different macroeconomic and regulatory conditions. As 3U's business continues to be mainly conducted in Germany, the German economy, along with both local and European economic, energy and climate policies, exert a significant influence on the Group's prospects.

The general economic development influences the investment propensity of companies and private households. High levels of business activity generate a relatively large volume of calls, for instance, which continue to be handled to a large extent via fixed line in the business environment. Working from home, now an established option, placed greater demands on data centres and line capacities.

General conditions pertaining to climate policy and incentives in the construction sector and, by association, also in the owner-builder, renovator and DIY segments, tend to boost demand for heating and air conditioning technology which are more compatible with the environment. The employment situation and wage levels also influence the willingness of DIYers to buy and install new components and systems.

Development of the macroeconomic environment

According to the German Statistical Federal Office, the price-adjusted 2023 gross domestic product dropped 0.3 % year on year. This decline was due to a crisis-ridden environment, with inflation still running at high levels. Other reasons include a downturn in demand, both domestic and from abroad, as well as unfavourable financing conditions due to high interest rates. Compared with 2019, the last year prior to the coronavirus pandemic, the gross domestic product increased by 0.7 % in 2023.

The various sectors of the economy presented a disparate picture in 2023:

Economic output in the producing industry (excluding construction) dropped considerably by 2.0 %. This development was due to very low production in the field of energy supply. The manufacturing sector (excluding construction) also settled in negative territory with –0.4 %, albeit with considerably less of a minus as positive stimulus emanated from the automotive industry. The economy derived support first and foremost from the services sector which succeeded in expanding its activities. Information and communication reported the strongest growth of 2.6 %.

Germany's economic performance in 2023 was generated by an average 45.9 million gainfully employed people in 2023, corresponding to 0.7 %, or 333,000 persons more compared with 2022.

The inflation rate continued to rise in Germany in 2023, but at a slower pace than in the previous year. The inflation rate remained high at an average 5.9 % but was nevertheless down one percentage point on average compared with the previous year. By January 2022, the inflation rate that was running at 4.9 % had already significantly exceeded the 2022 annual average of 3.1 %. The inflation rate peaked at 8.7 % as early as January and then subsequently slowed over the course of the year until it reached its lowest point at 3.2 % in November. Food prices in particular increased sharply in 2023, by an average 12.4 %.

As in the year before, the German government continued with its efforts to ease the burden on companies and private individuals in 2023, thereby mitigating the increase in the cost of energy. However, the result for 2023 is mainly due to the comparison with the high price level in the previous year.

In 2023 as well, 3U HOLDING AG's Management Board made use of the option to compensate the employees for inflation by remitting payment exempt from tax and social security levies to better counteract these price hikes.

Pessimism and scepticism regarding economic data and expectations prevailed at the end of the financial year 2023: The ifo economic forecast from 18 December 2023 indicated an ongoing downtrend in the volume of orders, both in the manufacturing industry and in the ailing retail sector. The business climate indicator even reached its lowest level in the construction industry since 2005. Companies in these three sectors do not anticipate any notable improvement over the course of the current year either. The services sector was the only industry where the business climate brightened somewhat, and expectations for the first half of 2024 are more optimistic compared with the other sectors.

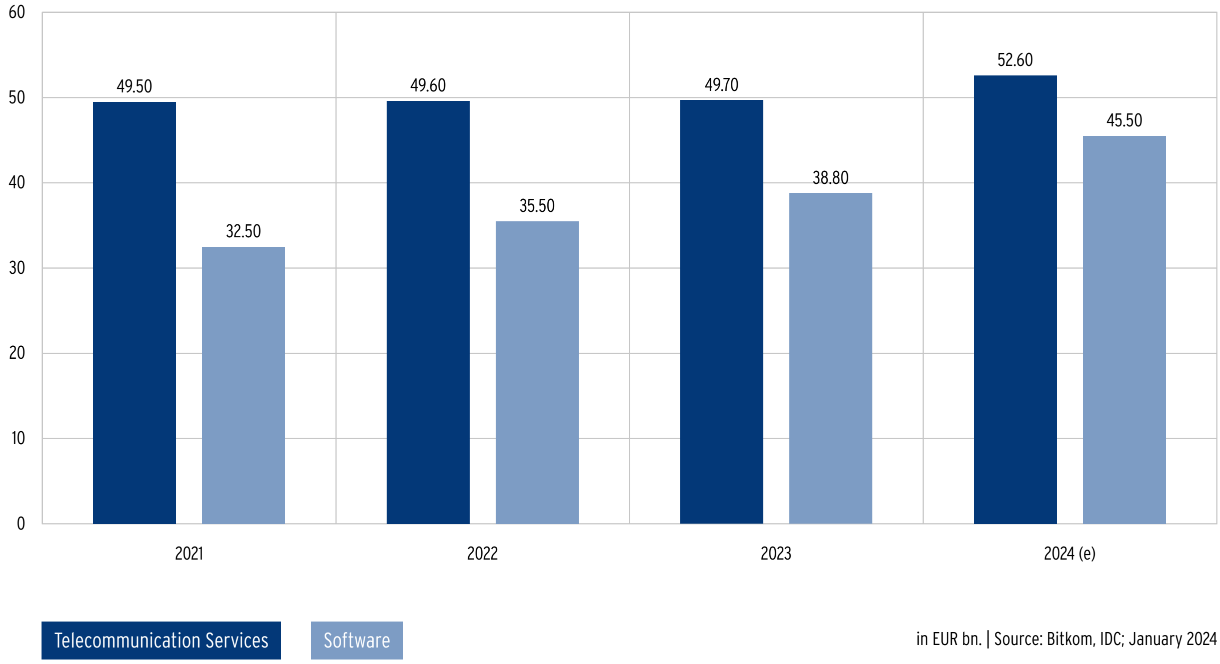
Development of the financial environment

The business models, especially of 3U HOLDING AG and the Renewable Energies segment, depend to a great extent on acquiring assets. This includes participating investments, in wind farm operators as well as in real estate. With a view to financing these activities, the Group deploys a range of borrowing and equity financing instruments, alongside internal funding.

The conditions for borrowed capital are heavily dependent on national and international interest rate levels. In its last meeting on 20 September 2023, the Council of the European Central Bank took the decision to raise the rate on the first main refinancing operation to 4.5 %. The key rate is therefore just as high as last seen at the start of the millennium. In the run-up to this decision, there were a number of interest rate hikes in 2023 which gradually raised the key rate from 2.5 % to 4.5 %.

Development of conditions in the ITC segment

Measured by total sales, Germany's market for information and telecommunications technology (ITC) grew by 2.0 % to EUR 215 billion in 2023. The number of gainfully employed in the sector came in at 1.33 million people compared with 1.31 million in 2022, reflecting growth of 2.1 %. The Bitkom ifo digital index, regularly calculated and published by the industry association Bitkom e.V. (Bitkom), rated the level higher than that of the overall economy in December, as it has done for years. It rose from 6.0 points to 9.8 points at year end. Bitkom expects sales in the ITC market of more than EUR 224 billion in the financial year 2024.



in EUR bn. | Source: Bitkom, IDC; January 2024

The industry association Bitkom anticipates that revenues in the information technology submarket (hardware and software services) are set to rise by 6.1 % to EUR 151.1 billion in 2024 (2023: EUR 142.9 billion). In line with this forecast, revenues in the software segment grew by an above average 9.4 % to EUR 45.5 billion. Growth in the telecommunications submarket proved to be more moderate, rising 1.0 % to EUR 72.8 billion (2023: EUR 72.1 billion). Bitkom is expecting slight growth of 1.6 % to EUR 52.6 billion in the telecommunications services segment (2023: EUR 49.6 billion).

Managed Services

Against the backdrop of this environment, the megatrend of digitalisation is boosting the prospects of the market and the sector while bolstering 3U's strategy and may facilitate the achieving of 3U's ambitious corporate goals. Following the successful takeover of the cs companies in August 2023, 3U's growth strategy for this market is now mainly based on organic growth,

Digitalisation is a topical and crucial issue for Germany's SMBs. Generally speaking, digitalisation is progressing swiftly, but is still rudimentary in many locations, with no blanket coverage and not disseminated evenly across all sectors. According to the German government's digitalisation index, companies of various sizes saw some convergence in 2023, creating greater homogeneity in the economy in terms of digitalisation.

IT service providers which advise SMB's in particular in planning and procuring their IT environments are reaping great benefit from digitalisation as a megatrend. Bitkom predicts revenue growth of 4.4 % for the IT market overall and of 4.8 % for the sub-market of IT services in the current year 2024. The underlying demand insofar as it stems from SMBs continues to be mainly covered by a large number of local providers, specifically system houses. 3U is now increasingly targeting this market segment in its ITC segment. In the opinion of management, sustained consolidation pressure observed in the system house sector opens up additional potential for acquiring competitors. Customers and prospective buyers from the group of small and medium-sized system vendors also continue to show interest in the possibilities 3U technologies offers for enhancing efficiency.

Telecommunications

According to a study on the German telecommunications market by the Association of Telecommunications and Value-added Service Providers (VATM) and Dialog Consult published in fourth quarter of 2023, the revenues of telecommunications services entered a marginally negative trend in 2023, down EUR 0.1 billion compared with 2022 and dropping from EUR 60.3 billion to EUR 60.2 billion. Of this amount, EUR 32.6 billion was attributable to mobile operators and EUR 27.6 billion to fixed-line operators.

The VATM study showed that revenues generated through service call numbers declined significantly to EUR 267 million in 2023 (2022: EUR 298 million). These full-year estimates were published in October 2023.

Development of conditions in the Renewable Energies segment

Political conditions

One of the greatest challenges of the 21st century is to secure a reliable, economical and environmentally compatible supply of energy. Overall production from renewable energies exceeded the year-earlier figure by 7.5 %, capturing a share of 56.0 % in total production (2022: 47.4 %). Offshore and onshore turbines generated a total of 142.2 TW hours in 2023, raising their production by 13.5 % compared with the previous year. Wind energy was nevertheless the most significant source of energy, followed by brown coal, solar, hard coal, natural gas, biomass, nuclear energy and hydropower. Feeding into the grid by photovoltaics remained at the year-earlier level. The less sunny weather following the record year 2022 was compensated by strong increase in capacity installation in 2023. The last nuclear power plant was disconnected from the grid on 15 April 2023. Despite the shutdown, wholesale electricity prices declined as the year progressed.

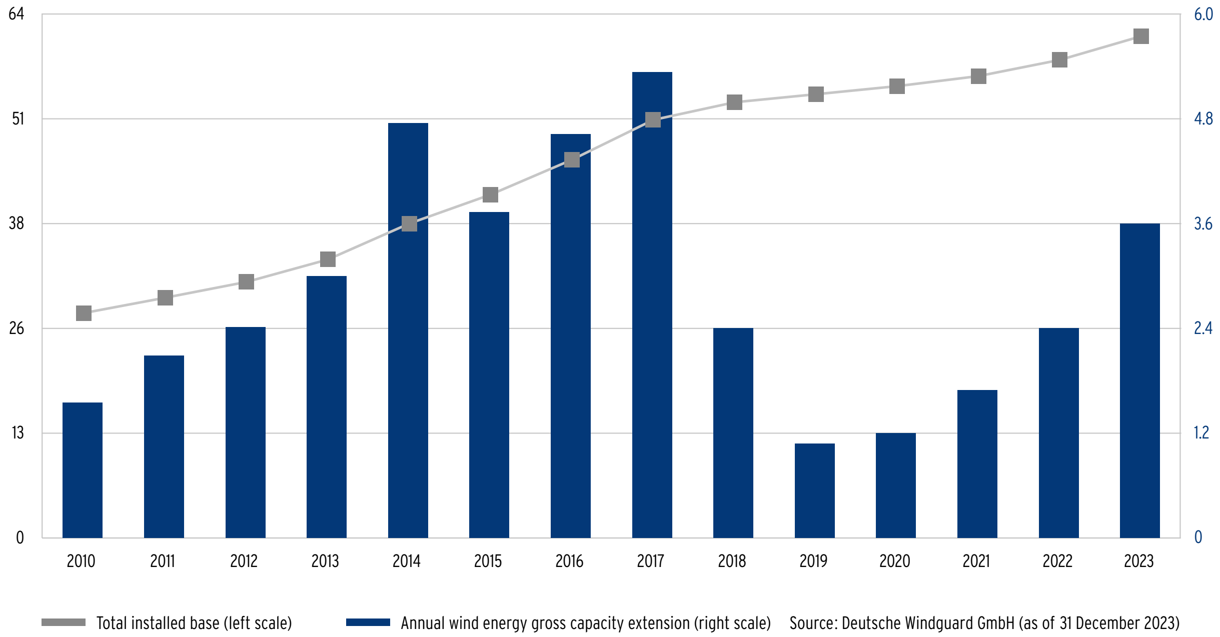
In its annual economic report 2023, the federal government stated that expanding renewable energies has become all the more urgent due an end to importing Russian fuels. With investments in expanding new facilities ramped up, flanked by developing and harnessing new technologies, the proportion of renewable energies is set to rise again in the coming years. Along with lower greenhouse gas emissions, the German government is also aiming to reduce Germany's dependence on energy imports from non-EU countries. Among other legislation, the German Renewable Energies Act (EEG 2023) and the country's Offshore Wind Energy Act were amended in 2023. The principle of renewable energies being in the interest of the public and of serving public security was anchored in these acts. Among other measures, renewable energies expansion goals were raised to the extent that the target objective of achieving virtually complete greenhouse gas neutrality in the power sector can be achieved by the planned phase-out of coal-fired power generation without compromising the power supply. In 2030, the German government anticipates gross demand for electricity of approximately 800 TWh, with 80 % to be sourced from renewable energies. Achieving this goal will necessitate an expansion that far exceeds the levels seen in recent years. Barriers and hurdles are to be eliminated, planning and approval procedures accelerated, and the necessary land made available.

In order to achieve the binding two-percent land area targeted for onshore wind in 2032, as prescribed under the Act on Determination of Area Requirements for Onshore Wind (Windenergieflächenbedarfsgesetz, WindBG), a great deal more land will need to be allocated. While some of Germany's federal states are already achieving their interim targets today, most federal states still have to set aside more land to achieve this target. The state liberalisation clause (Länderöffnungsklausel) setting out provisions governing minimum distances between wind energy facilities and residential construction is now linked to achieving the objective.

In 2023, the net onshore installation was around 3.0 GW (2022: 2.4 GW). Nevertheless, installations need to be rapidly stepped up to achieve the German government's climate targets: Calculations show that, to meet this goal, 7.1 GW of onshore wind capacity will need to be installed per year over the next eight years.

Meanwhile, with effect from 1 February 2023, the legal basis at federal state level of limiting wind energy use through "exclusion planning with suitable areas" no longer applies. In this context, Brandenburg's local government, for instance, instructed the regional planning authorities to replace the former "exclusion planning" that limited the expansion of wind energy by new "supply planning", which resulted in accelerating the designation of suitable areas for harnessing wind energy. Consequently, regional planning for the respective areas is being redrafted at the current point in time. These are areas in which 3U intends to develop wind farm projects and where the company has already secured usage rights. Building new facilities now appears to be fundamentally possible again following the end of the moratorium issued in the previous year. In 2023, 77 wind turbines with a total output of 425 MW were connected up to the grid in Brandenburg. At the same time, 26 wind turbines were dismantled for reasons of obsolescence, bringing net capacity installation to 397 MW.

Annual expansion and installed wind energy capacity in Germany (in GW)



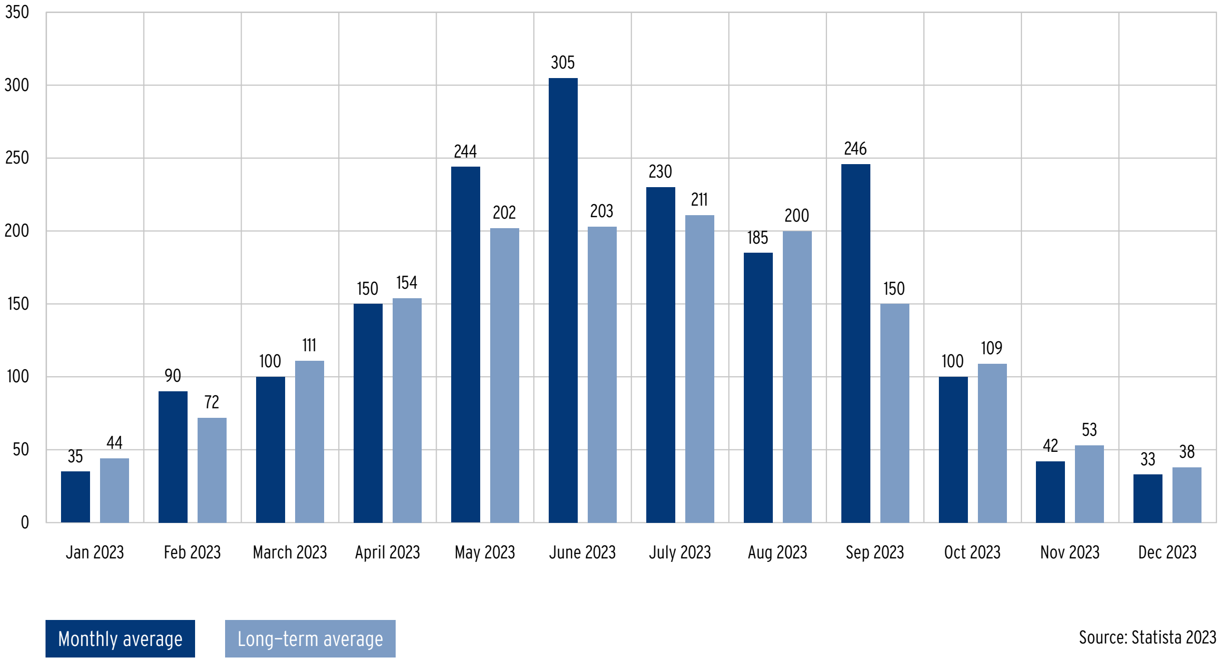
Source: Deutsche Windguard GmbH (as of 31 December 2023)

Weather conditions

Solar irradiation and wind are fundamental factors of influence on the earnings of the 3U Group's power plants. Both sun and wind are subject to seasonal and long-term fluctuations.

The level of the radiation in Germany amounted to 1,764 hours in the financial year 2023 (2022: 2,029 hours), which is 13.5 % higher than the multi-year average of 1,554 hours of sunshine and 13.1 % lower than the year-earlier figure.

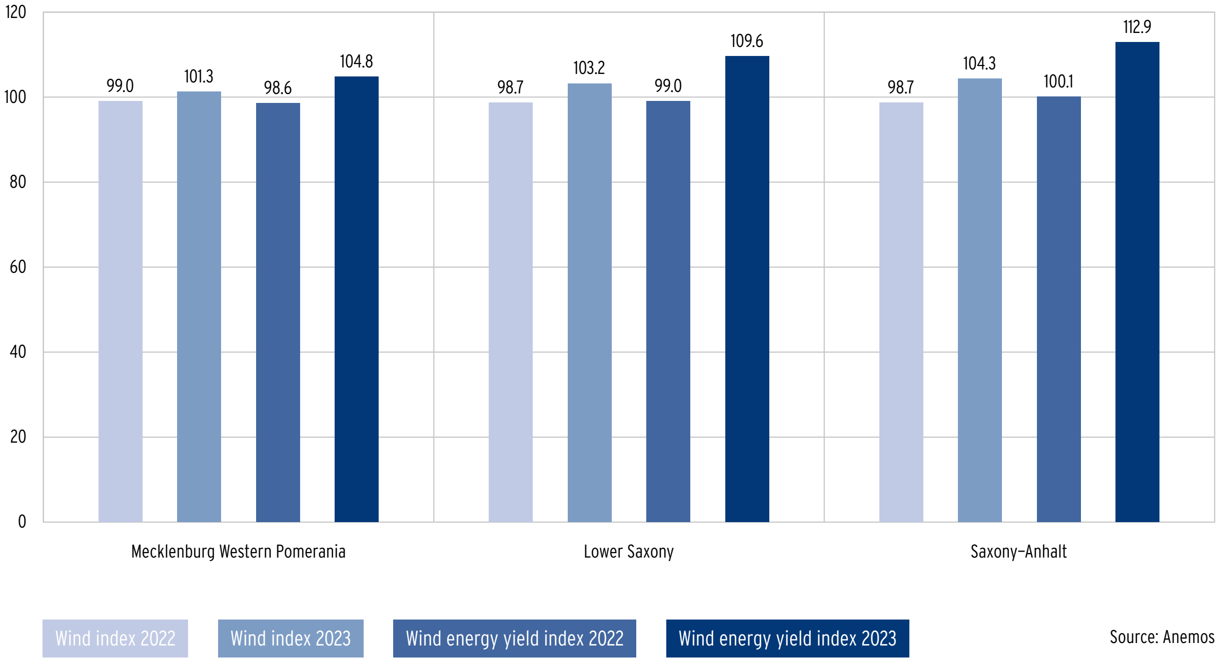
Average monthly sunshine in Germany in 2023 (in hours)



Source: Statista 2023

The levels of wind in 2023 were significantly higher than in 2022. The average wind index in Germany rising from 98.8 % in the previous year to 106.6 %. This made 2023 the windiest year in over 20 years. The average wind yield index in Germany in 2023 also increased to 118.3 % (2022: 99.0 %).

Wind and energy yield index in %



Source: Anemos

General business conditions

The prices commanded for the power generated determine the commercial success of plant operations.

Electricity from the Adelebsen Solar Park will be fed into the grid based on a fixed feed-in tariff under the German Renewable Energies Act (EEG) through to the end of the term in 2032. The conditions negotiated for the power purchase agreements concluded in 2023 for the Roge and Klostermoor wind farms were better than in the previous year and, by mid-year, exceeded the prices achievable on the electricity market. The power produced by the Langendorf Wind Farm in 2023 was sold at market prices. The average wholesale price in 2023 stood at 95.18 EUR/MWh, less than half the year-earlier price of 235.45 EUR/MWh and down to the level of 2021. Russia's war of aggression against Ukraine sent gas and coal prices up sharply in 2022. The electricity price trend also displayed great volatility and was closely connected with the development of gas prices. Wholesale electricity prices began to fall again as from October 2022. Although the average price rose again in January 2023, prices nevertheless resumed their downtrend in the following months.

Development of conditions in the SHAC segment

The companies in the SHAC segment operate in a niche of the construction sector. Within the construction industry, growing emphasis is being placed on environmentally compatible and affordable equipment with components and systems, in particular heating and air conditioning technology, and not forgetting the sanitary equipment. This applies to owner-builders, renovators and DIYers, as well as to tradespeople and construction companies who Selfio GmbH online products and seek advice and support.

Political framework conditions

The demand for components and systems of heating and air conditioning technology is beeing boosted by an array of political initiatives. These measures are aimed at mitigating climate change and at achieving internationally agreed climate targets. According to climate protection law, heat supply in its entirety is to be greenhouse gas neutral by 2045. In this context, the buildings sector is an area of emissions that is a long way away from achieving the German government's climate targets. With this in mind, the German government will be launching further programmes for building refurbishment.

As part of the German Energy Saving Ordinance, replacing heating systems which are more than 30 years old has already been mandatory since 2014. With the amendment to the Energy Efficiency Strategy 2050 approved in 2020, the German government set out the new energy efficiency target, among others – by 2050, 50 % less primary energy is to be consumed in Germany compared with 2008 (previously 30 %). Under the 2021 European Climate Law, the European Union has committed to higher climate targets for 2030 and 2050. By the year 2030, at least 55 % of greenhouse gas emissions are to have been saved compared with 1990. In 2021, the EU Commission submitted "Fit for 55", the most comprehensive package of legislative proposals on climate policy in the history of the EU, which is currently undergoing the legislative process between the EU Council of Ministers and EU Parliament. The objective of climate neutrality was announced by the EU for the year 2050.

In this context, the German Energy Saving Ordinance (ENEV), the Energy Savings Act (EnEG) and the Renewable Energies Heat Act (EEWärmeG) were combined under the German Buildings Energy Act (GEG) effective 1 November 2020. Funding schemes were also extensively simplified as part of this process and the formerly separate systems of the German development bank Kreditanstalt für den Wiederaufbau (KfW, loans) and the German Federal Office of Economics and Export Control (BAFA, subsidies) were integrated into an umbrella programme: the Federal Funding for Energy-Efficient Buildings (Bundesförderung für effiziente Gebäude, BEG), divided into the three sub-programmes of residential buildings, non-residential buildings and individual measures. This key instrument for subsidising building renovation was revised in a reform in the summer of 2022 and at the start of January 2023 and was even more rigorously aligned to conserving energy, climate protection, and thus also to energy independence. In this context, the new construction standard formerly applicable with regard to the annual primary energy demand was raised (reduction of the maximum annual primary energy requirement permitted in a new building from formerly 75 % of the reference building to 55 %). Moreover, the use of renewable energies in installing new heating systems was regulated under a second amendment to the act. These amendments entered into force on 1 January 2024. The reform is aimed at incentivising the installation of heat pumps, among other solutions, through bonuses. As a result, heat pump sales set a new record in 2023: With 356,000 heat pumps sold, sales therefore rose by more than 50 % for the second year in a row. The climate policy target of installing around six million heat pumps by 2030 is presumed achievable on the back of such an increase and is also manageable for manufacturers.

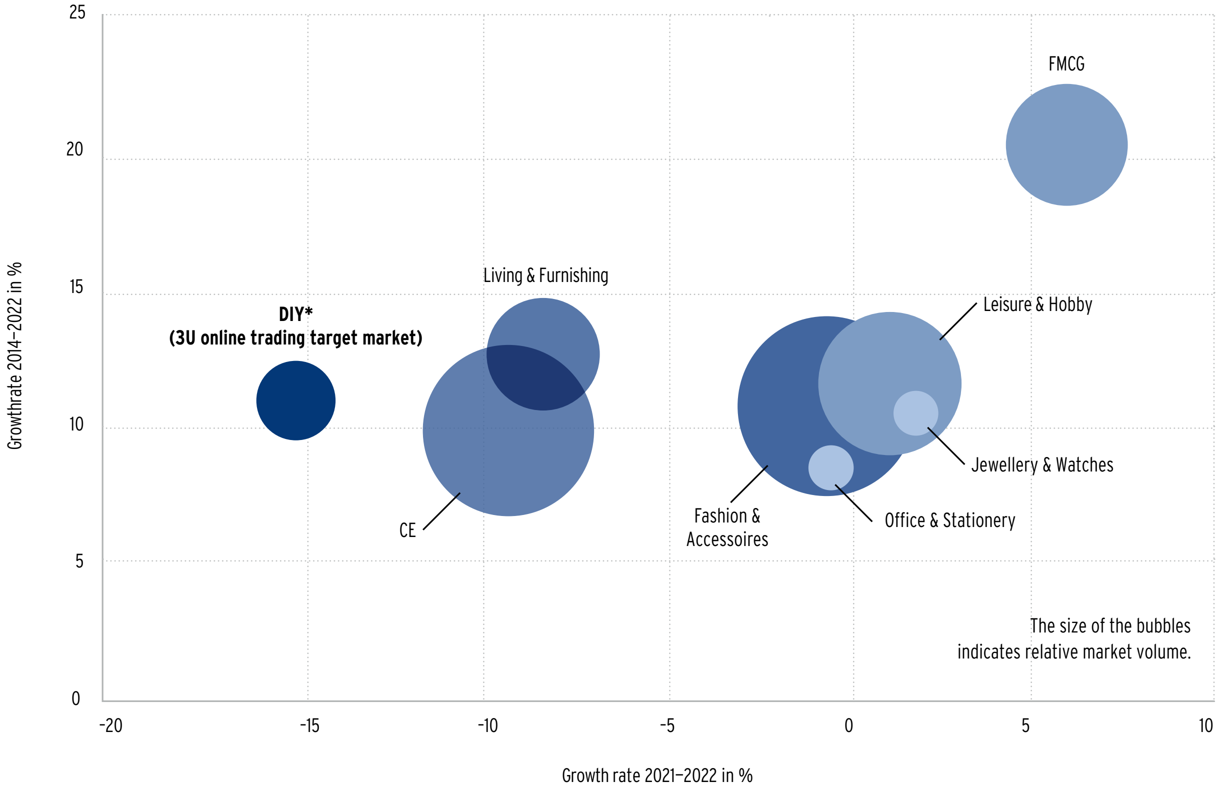
General business conditions

While the business models of the ITC and Renewable Energies segments within the 3U Group only depend on supply chains to a limited extent, 3U online trading relies on the availability of products, input products, as well as commodities. Supply and transport bottlenecks, accompanied by growing demand, translated into prices rising sharply in production and for imported intermediate goods.

The construction industry is subject to these overarching factors. In 2023, the construction industry's real order intake dropped 4.4 % compared with the year-earlier period. In nominal terms, order intake climbed by 3.3 % in 2023 measured against the previous year, above all on the back of the sharp increase in construction prices in the first half of the year. In the financial year 2023, revenues declined by 3.3 % in real terms compared with the year-earlier period when they rose by 3.5 % in nominal terms.

The shortfall in industrial and primary products, and the resulting price hikes, are not only detrimental to the manufacturing and construction industries but also to trade. Real revenue from e-commerce and the mail order business dropped by 3.9 % compared to the previous year.

e-commerce growth rates by sector



*DIY core products, ex wholesale and workshops, ex illumination, ex decoration/home textiles

Source: HDE Online-Monitor 2023

Customer online activity slowed further over the course the year now ended. Consumer reluctance to spend was reflected in another dip in the overall revenues generated by German e-commerce in 2023. Gross revenue from products sold sustained a double-digit decline of 11.8 % for the first time in the full year 2023, dropping from EUR 90.4 billion in 2022 to EUR 79.7 billion a year later. Along with the tight economic situation and many households' uncertainty about the future, the political framework conditions remained especially challenging for e-commerce. In their joint assessment, the German Federal Association of E-Commerce and Mail-Order Trade (BEVH) and the EHI Retail Institute nevertheless assume that these effects have been virtually priced into consumer spending behaviour. The downtrend is expected to come to an end as 2024 progresses, and nominal growth in revenue of 2.0 % is anticipated for the full year.

The year 2023 proved a difficult one for the DIY and garden centre business in Germany. The effects already emerging in the previous year from consumer reluctance to spend, paired with high energy costs and persistently high inflation, were compounded by the impact of bad weather, particularly in the first half of 2023. The problematic situation in the construction industry was also reflected in the DIY sector. All in all, this sent revenues down. At EUR 11.3 billion, the sector's revenues in the first six months of 2023 declined by 2.3 % year on year.

Aside from this current market development, the Handelsverband Heimwerken, Bauen und Garten e.V. (DIY store trade association, BHB) nevertheless remains optimistic for the medium- and long-term future: With its exceptionally versatile product portfolio, the sector will always remain the most important point of contact for people wishing to improve the energy efficiency of their homes.

Comparison of actual and forecast course of business

Upon the release of the preliminary figures in February 2023, the Management Board forecasted ongoing profitable growth. This forecast was further specified in March 2023: The Management Board expected organic growth in consolidated revenue in a double-digit percentage range in the financial year 2023. Sales revenues were predicted to grow organically to between EUR 55.0 million and EUR 60.0 million. 3U management estimated EBITDA at between EUR 6.0 million and EUR 8.0 million which would then have fallen short of the previous year due to lower other income (particularly from the property development business), bringing the EAT to between EUR 2.5 million and EUR 3.5 million.

This forecast was reviewed several times over the course of the financial year and, given the difficult economic environment and the associated decline in the e-commerce sector overall, as well as in the construction sector, was revised by the Management Board at the start of November 2023. Adjusting guidance had become necessary given the growing impact from conditions in the economic environment caused by interest rate hikes and political uncertainties, compounded by delays surrounding the German Building Energy Act, and as it became evident that even sound year-end business would be unable to compensate for the shortfalls. The Management Board revised its outlook and subsequently assumed revenue of around EUR 52.0 million to EUR 56.0 million. The Board assumed EBITDA would settle in a range of approximately EUR 4.5 million to EUR 6.0 million and expected a consolidated result of between EUR 1.5 million and EUR 2.5 million.

In the reporting year, the Group generated revenue of EUR 52.4 million which fell short of the figure targeted in March 2023. At EUR 5.2 million, EBITDA also did not achieve the level originally anticipated. Earnings after taxes of EUR 2.6 million came at the lower end of guidance issued in March 2023. Revenue and EBITDA in the year under review therefore fell significantly short of the targets originally communicated in March 2023, due to the reasons mentioned above and those presented in the earnings situation. Actual performance as it stands accords with the detailed forecast. The revenue targets as specified in the guidance were achieved, and EBITDA corresponded to the expectations communicated in November 2023. At EUR 2.6 million, the consolidated result in the reporting year proved to be somewhat better than expected at the last count.

Actual and forecast performance for the 3U Group (in EUR million)

Target	Status year-end 2022	Forecast January 2023	Forecast March 2023	Forecast November 2023	Status year-end 2023
Consolidated revenue	**50.3**	**Ongoing profitable growth**	**55.0–60.0 Double-digit percentage growth**	**52.0–56.0**	**52.4**
ITC	12.1		Steady revenue stream		15.3
SHAC	31.5		Significantly higher revenue		29.6
Renewable Energies	7.2		Sharp increase in revenue		8.1
Group EBITDA	**8.5**		**6.0–8.0**	**4.5–6.0**	**5.2**
ITC	3.1		Organic profit growth		3.9
SHAC	0.1		Marginally higher, positive EBITDA		-1.2
Renewable Energies	3.4		Sharp increase in EBITDA		5.8
Group result*	**3.2**		**2.5–3.5**	**1.5–2.5**	**2.6**
ITC	2.8		Organic profit growth		3.6
SHAC	-0.9		Marginally improved, negative result		-2.6
Renewable Energies	0.2		Sharp profit increase		1.4

*Net of minority interest

Result of operations*

Result of the Group's operations

In order to ensure comparability of the information following the sale of weclapp SE and in accordance with IFRS 5 in the consolidated financial statements, all disclosures, including figures from the previous year, pertain exclusively to the Group's continuing operations.

Consolidated revenue

Despite the difficult framework conditions prevailing in the reporting year, consolidated revenue was raised by 4.0 % to EUR 52.35 million (2022: EUR 50.32 million). Consolidated revenue also comprises revenues of EUR 1.95 million generated by the cs companies acquired in August 2023. Minus these acquisitions, consolidated revenue in 2023 settled at the year-earlier level.

Revenue from the two profitable segments of ITC and Renewable Energies improved further compared with the previous year's period. Revenue in the SHAC segment also outperformed the market and the German e-commerce sector overall in the reporting year. Against the backdrop of difficult environment and the associated all-pervasive decline in e-commerce and in the construction industry, the level achieved in the SHAC segment in the previous year was not matched. The lower demand is principally attributable to the higher interest rates and political uncertainty, compounded by delays surrounding the German Buildings Energy Act (GEG) which is essential for the energy transition. The development of the 3U Group's segment which generates the highest revenue was only compensated to a limited extent by pleasing growth in the other lines of business.

Other operating income of EUR 2.43 million in 2023 largely comprises expense allowances in accordance with TKÜV (order on monitoring telecommunications). In the previous year, other operating income in an amount of EUR 13.22 million was determined by the sale of the InnoHubs building project.

Similar to 2022, the changes in inventory of EUR 0.42 million in the financial year 2023 (2022: EUR 0.39 million) were principally attributable to wind farm project developments.

Own work capitalised amounted to EUR 0.04 million in the reporting year (2022: EUR 0 million). The increase resulted from in-house development work carried out in the SHAC segment.

The increase of 1.8 % in the cost of materials in relation to revenue was disproportionately low in a year-on-year comparison. The good performance of business in the less material-intensive segment resulted in the Group's cost of materials ratio (cost of materials as a percentage of sales) dropping to 63.4 % (2022: 64.8 %).

The higher level of other operating income in 2022 was largely responsible for the decline in gross profit in the reporting year. The Group's gross profit came in at EUR 22.05 million in 2023 compared with EUR 31.33 million the year before. The gross profit margin therefore contracted from 62.3 % in the year-earlier period to currently 42.1 %.

*Note: Account must be taken of the fact that, in the distribution across the individual quarters presented in the following, the quarterly figures have not been audited.

Research and development

In the financial year 2023, no research and development services were recognised as expenses (2022: EUR 3.0 million). Expenses of EUR 0.1 million were capitalised for development activities under projects for individual customers (2022: EUR 0.8 million).

EBITDA

After the cost of materials, personnel expenses constitute the second largest expense item in the income statement. In the reporting year, the Group employed 14.4 % more employees on average than in the previous year; growth from 139 to 159 persons (annual average) was primarily attributable to the takeover of the cs companies. Personnel expenses rose by 11.7 % overall in the financial year, from EUR 8.23 million in 2022 to currently EUR 9.2 million. Accordingly, the Group's personnel expenses ratio (personnel expenses as a percentage of revenue) climbed from 16.4 % in the financial year 2022 to 17.6 % in the reporting year. Per capita personnel expenses decreased from kEUR 59.36 to kEUR 57.97. However, the year-earlier personnel expenses item included one-off profit-sharing bonuses of EUR 2.28 million.

Other expenses within the Group were incurred in a significantly higher amount in 2022 due to the sale of the InnoHubs building project and unscheduled write-downs of project development costs in Brandenburg. By contrast, this item which posted EUR 7.59 million returned to normal levels again in 2023 (2022: EUR 14.59 million) even though it also comprised unexpected repair costs for a wind turbine in the Roge Wind Farm in the first quarter of 2023.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at EUR 5.23 million in the financial year 2023 (2002: EUR 8.49 million). Consequently, the Group's EBITDA margin came in at 10.0 %, following on from 16.9 % in the year-earlier reporting period.

Group result

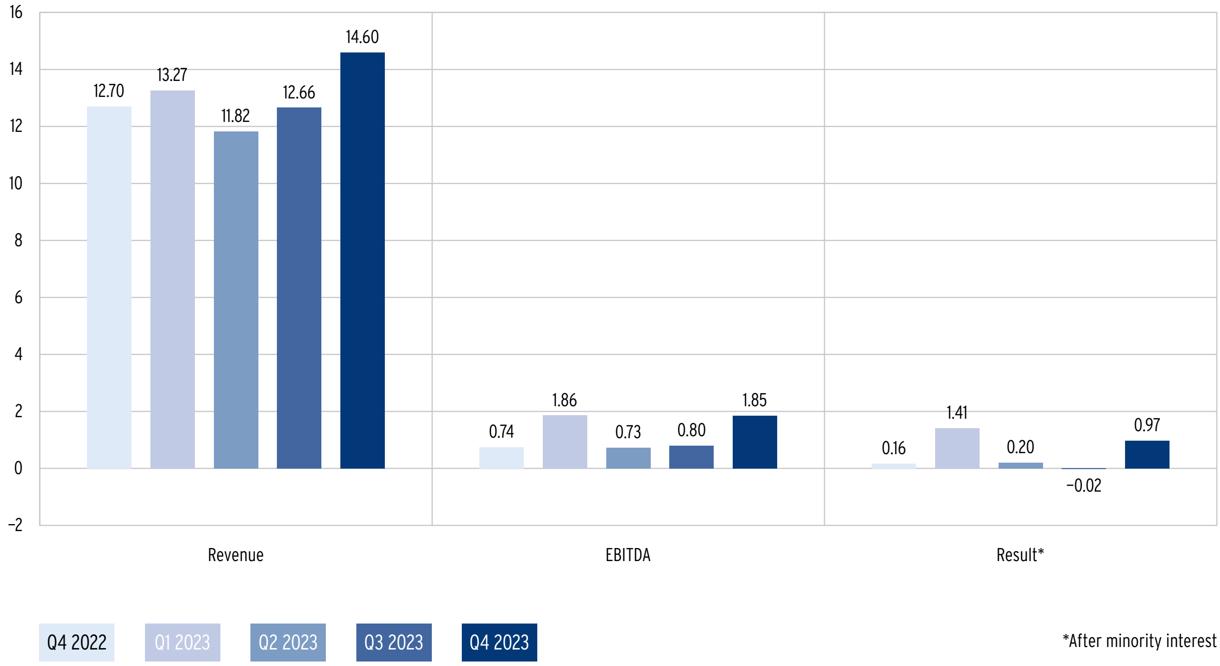
The depreciation and amortisation of property, plant and equipment, largely relating to wind turbines and photovoltaic plants installed in the Renewable Energies segment, increased from EUR 3.40 million to EUR 3.59 million.

The net interest income was boosted by the more extensive interest-bearing financial investments in the reporting period, resulting in EUR 2.05 million in total, up from EUR 0.05 million in the previous year.

Tax expenses of EUR 0.59 million were incurred at group level (2022: EUR 1.39 million). The creation of deferred taxes due to temporary differences between carrying amounts under IFRS and those in the tax balance sheet had a significant impact on the tax result. In the financial year 2023, netting out deferred tax assets and liabilities resulted in income from deferred taxes of EUR 0.02 million (2022: expenses of EUR 0.72 million). Current income tax expenses of EUR 0.61 million were incurred (2022: EUR 0.67 million).

The result attributable to minority interest decreased to EUR 0.55 million compared with the previous year's period (2022: EUR 0.61 million). In the financial year 2023, the portion of the consolidated result due to shareholders of the parent company stood at EUR 2.55 million in accordance with the revised guidance (2022: EUR 3.15 million). The consolidated result from continuing and discontinued operations came in at EUR 2.55 million in 2023, down from EUR 158.99 million in the previous year.

Development (revenue, EBITDA, result) – 3U Group in EUR million



*After minority interest

Result of operations in the segments

In line with its internal reporting, the Group reports on the ITC, Renewable Energies and SHAC segments, as well as on the Other Activities/Reconciliation organisation unit.

The segments are presented below with their inter-segment revenue. It should also be noted that income taxes – where there is a tax group relationship with 3U HOLDING AG – are borne by 3U HOLDING AG, the parent company of the tax group.

ITC (Information and Telecommunications Technology) segment

Segment revenue

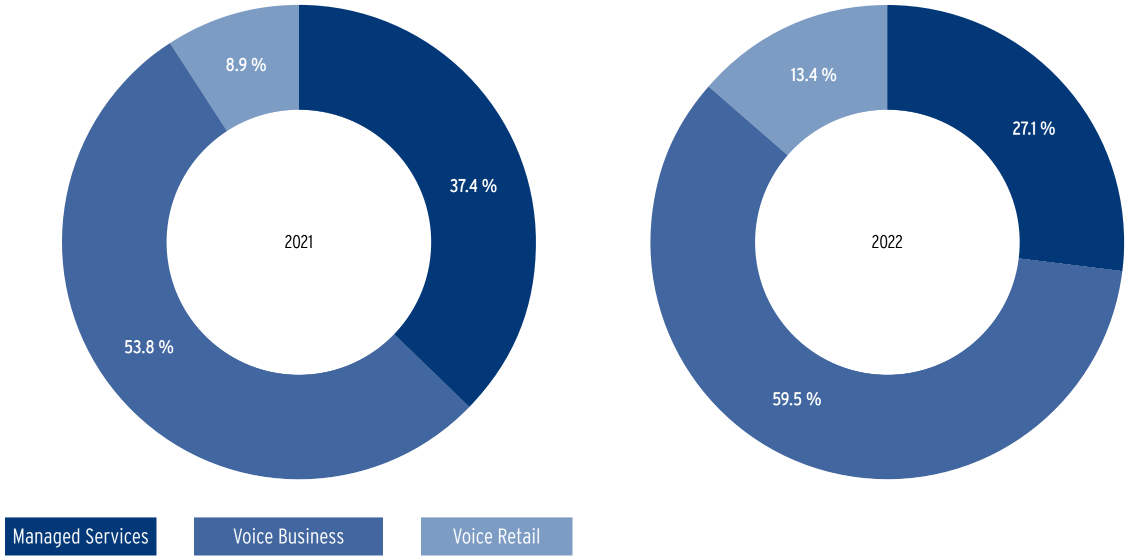
In comparison with the previous year, the ITC segment lifted its revenue by 26.3 %, from EUR 12.14 million to EUR 15.34 million in the financial year 2023. Consolidated revenue of the two cs companies acquired in the summer of 2023 stood at EUR 1.95 million. The ITC segment's organic growth came in at 10.3 % in 2023 and was attributable to successfully winning new customer business, among other measures.

The Managed Services business which combines system house activities, data centre services and trading in software licenses achieved the strongest growth. The digitalisation business provided for SMBs expanded by 74.5 % to a total of EUR 5.73 million in 2023. The share of revenues generated by this business was successfully increased from 27.1 % to 37.4 % in accordance with the corporate strategy and on the back of acquisitions. In terms of organic growth, Managed Services recorded an expansion of 15.0 % in the financial year.

Second in line in terms of performance was the Voice Business segment which achieved growth of 14.2 % in 2023. All in all, the comprehensive offer of network infrastructure, termination, including value-added services for business customers, continued to generate the lion's share of 53.8 % in the 3U Group's ITC segment.

As expected, the decline in demand over the long term remains tangible in Voice Retail. Revenues from call-by-call solutions and preselection telephony in the end customer segment fell 16.7 % in absolute terms. The share of the retail business in segment revenue decreased from 13.4 % to 8.9 %.

Revenue share by business line in the ITC segment



As a result of the more lucrative product mix, the segment's gross profit (other operating income and changes in inventory) rose by 26.5 % to EUR 8.43 million (2022: EUR 6.67 million).

EBITDA

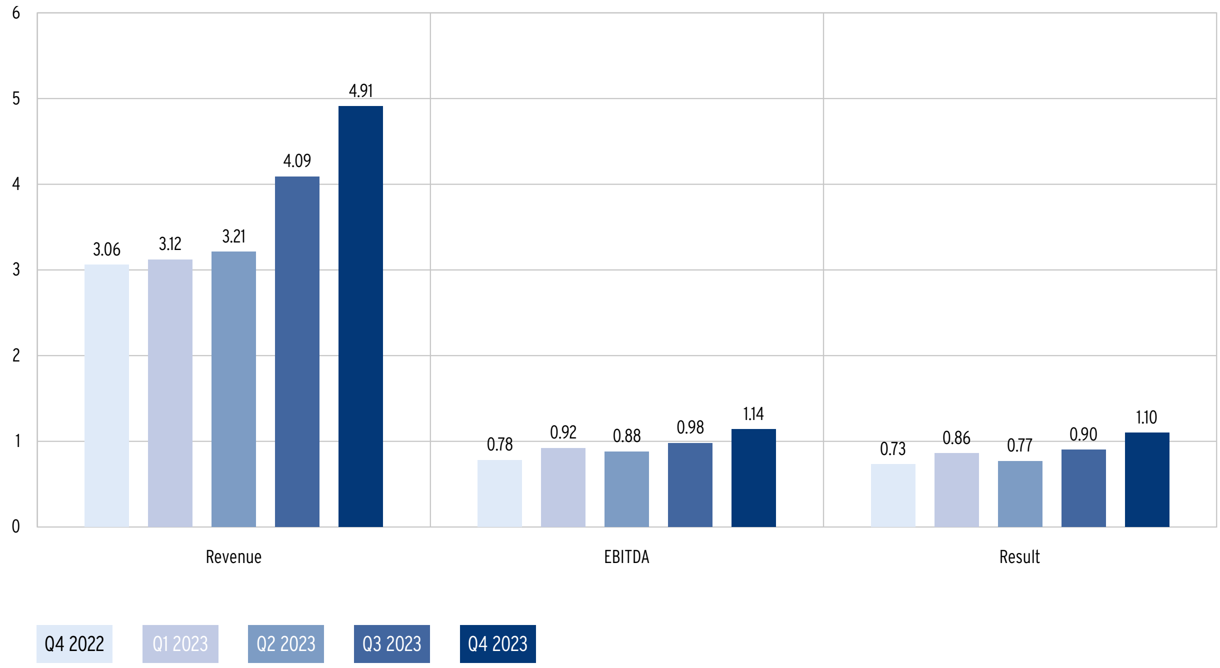
Personnel expenses in the ITC segment totalled EUR 2.95 million in 2023 (2022: EUR 2.28 million). The year-on-year increase in personnel expenses (2022: EUR 2.28 million) is mainly due to the takeover of the cs companies. Despite the excellent sales performance, the proportion of personnel expenses in segment revenue (personnel expenses ratio) increased accordingly, from 18.8 % to 19.3 %.

Other operating expenses increased marginally. Having posted EUR 1.25 million in the previous year, they amounted to EUR 1.56 million in the financial year 2023. Segment EBITDA rose to EUR 3.91 million (2022: EUR 3.14 million). At 25.5 %, the EBITDA margin (EBITDA as a percentage of revenue) matched the year-earlier level (2022: 25.8 %).

Segment result

The forming of deferred taxes due to temporary differences between the carrying amounts under IFRS and those in the tax balance sheet resulted in lower tax income of EUR 0.05 million (2022: EUR 0.02 million). On the back of a positive financial result of EUR 0.19 million (2022: EUR 0.08 million), the ITC segment generated a segment result of EUR 3.63 million in the period under review, reflecting an increase of 31.1 % compared with the previous year (2022: EUR 2.77 million).

Development of ITC segment in EUR million



Renewable Energies segment

Segment revenue

Despite the temporary downtime of a wind turbine in Roge in the first quarter of 2023, the Renewable Energies segment reported a higher energy yield than in the previous year on the back of favourable weather conditions. After a first quarter with strong winds, producing energy from wind had approached the long-term average by mid-year, with the final quarter repeating the high level generated at the start of the year. Strong solar irradiation in the second and third quarter also boosted electricity production.

Overall, the volume of electricity produced by the power plants in 3U's portfolio rose to around 73.2 GWh in 2023, up from 69.4 GWh in the previous year, reflecting an increase of 5.5 %. Electricity generated by the Adelebsen Solar Park declined by 9.2 % to 9.8 GWh in 2023, which was generally attributable to less hours of sunshine in Germany in the reporting period compared with 2022. Conversely, the energy produced by the three wind farms increased by 8.2 % to 63.4 MWh in the period under review. In mathematically terms, the electricity generated by the 3U Group was therefore sufficient to cover the average power consumption of around 20,000 four-person households in Germany while saving more than 30,000 tons of climate damaging carbon dioxide.

The energy from the Roge and Klostermoor wind farms was sold in 2023 via power purchase agreements which were concluded in advance. The electricity from the Langendorf Wind Farm was sold at the monthly market value, and the long-term feed-in tariff secured under the German Renewable Energies Act (EEG) continued to apply unchanged to the Adelebsen Solar Park. In 2023, segment revenue rose from EUR 7.20 million to EUR 8.06 million on the back of higher volumes of electricity produced compared with the previous year, especially by the Langendorf and Klostermoor wind farms, along with partly higher selling prices resulting from the power purchase agreements concluded in the same year.

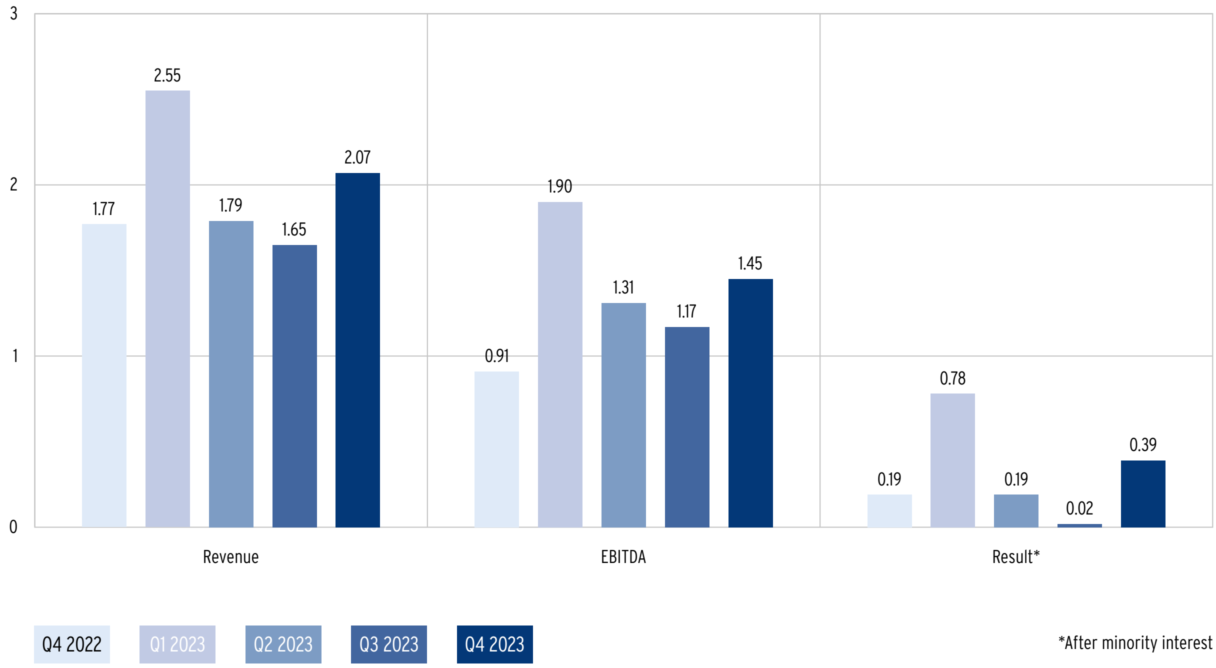
EBITDA

Personnel expenses and other operating expenses amounted to EUR 0.24 in the financial year 2023, marking an increase of EUR 0.09 million compared with the previous year. Other operating expenses stood at EUR 2.15 million in the reporting period, down from EUR 3.75 million in 2022. In 2022 project development costs of EUR 1.59 million, reported under current assets, were written down. Other operating expenses also comprise project costs for the application for repowering the Langendorf Wind Farm. Owing to the gratifying energy values and the advantageous feed-in rates, segment EBITDA increased significantly from EUR 3.40 million to EUR 5.83 million, reflecting growth of 71.6 %. The Renewable Energies' EBITDA margin posted 72.4 % compared with 47.2 % in the year-earlier period when profitability was still being impacted by the unscheduled repair costs at the Roge Wind Farm.

Segment result

The segment's depreciation and amortisation totalled EUR 2.04 million, virtually unchanged from the year-earlier level (2022: EUR 2.00 million). The financial result came in at EUR –1.18 million and remained in negative territory in the financial year 2023 due to the interest burden from existing financial liabilities (2022: EUR –0.66 million). After deduction of minority interest of EUR 0.24 million in 2022, the segment result nevertheless improved considerably to currently EUR 1.38 million.

Development (revenue, EBITDA, result) — Renewable Energies segment in EUR million



*After minority interest

SHAC (Sanitary, Heating and Air Conditioning Technology) segment

Segment revenue

Business in the SHAC segment was unable to disengage from the overall economic environment in the period under review: According to information from the German Federal Association of E-Commerce and Mail-Order Trade (BEVH), the revenues of Germany's e-commerce sector contracted by 11.8 % in 2023. Rising interest rates were responsible for difficult conditions in the construction sector over the course of the year. For instance, the number of building permits for single-family homes issued over the period from January to August dropped by 37.8 % according to the German Federal Statistical Office. Furthermore, the lack of planning reliability regarding the new subsidy guidelines on using environmentally compatible heating systems – owing to political discussion and the resulting delays concerning the concerning Germany's Buildings Energy Act (GEG) – proved to be a huge growth constraint over the course of the year. Although business in the SHAC segment outperformed the industry environment in the reporting period, the segment nevertheless sustained a decline in revenue and earnings. Segment revenue came in at EUR 29.63 million in the period under review, corresponding to a downturn of 6 % compared with the year-earlier figure of EUR 31.51. An improved delivery situation and faster availability of the products online counteracted the adverse framework conditions. The selling prices for home technology nevertheless came under pressure from excess capacities in some parts of the SHAC market. Leveraging in-house brands and other measures to enhance efficiency were only partway effective in compensating for these developments. The segment therefore reported a slight increase in the cost of materials ratio to 82.8 % in the financial year 2023 (2022: 81.1 %).

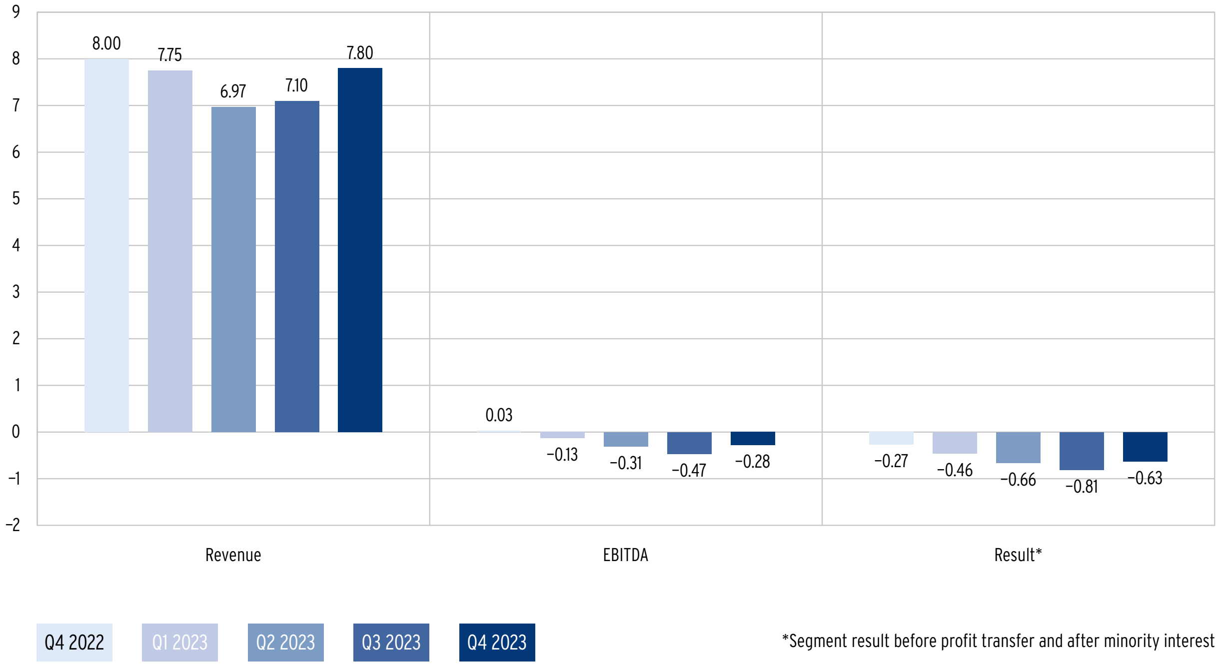
EBITDA

As a result of hiring additional staff in the segment, personnel expenses also rose over the course of the year to EUR 3.33 million in 2023, reflecting an increase of 10.2 % (2022: EUR 3.02 million). Against the backdrop of lower revenue, the personnel expenses ratio (personnel expenses as a percentage of revenue) increased significantly by 1.6 percentage points, from 9.6 % to 11.2 %. The proportion of other operating expenses in revenue also grew, from 10.2 % to 11.8 % in a year-on-year comparison. Consequently, segment EBITDA came in at EUR –1.18 million in the period under review compared with the year-earlier figure of EUR 0.12 million.

Segment result

Depreciation and amortisation totalled EUR 0.74 million in 2023 (2022: EUR 0.72 million). The financial result was also negative at EUR –0.65 in the reporting period, which was mainly attributable to the higher interest rates (2022: EUR –0.33 million). In the financial year now elapsed, the segment result therefore posted EUR –2.55 million (2022: EUR –0.91 million).

Development (revenue, EBITDA, result) — SHAC segment in EUR million



*Segment result before profit transfer and after minority interest

Other Activities/Reconciliation

Holding activities, other property leasing activities and effects from the requisite group consolidation are combined under Other Activities/Reconciliation. Activities and reconciliations pertaining to discontinued operations are not included in the following presentation of the segment's continuing activities.

Revenue

Other activities comprise revenue of 3U HOLDING AG amounting to EUR 1.91 million (2022: EUR 1.89 million). This item mainly relates to revenue generated with other segments and areas of business amounting to EUR 1.90 million (2022: EUR 1.87 million). Specifically, other activities consist of intra-group services; the holding's revenues mainly comprise management services within the group of companies. Other operating income amounted to EUR 0.58 million in 2023 (2022: EUR 11.83 million). Income disclosed in the previous year essentially resulted from the InnoHubs real estate development business.

EBITDA

Personnel expenses declined slightly to EUR 2.69 million (2022: EUR 2.80 million). As a general rule of thumb: The employees from strategic investment management and from the Finance, HR and Legal Affairs departments, as well as from centralised marketing capacities, are mainly allocated to the parent company. The holding makes a particular contribution to promoting the overall strategic development of the subsidiaries with these resources.

Other operating expenses dropped below the year-earlier level and settled at EUR 2.65 million (2022: EUR 8.61 million). The high level of expenses in the previous year were largely associated with the InnoHubs real estate development business.

Result

The result of Other Activities/Reconciliation contributed EUR 0.09 million to consolidated results in the financial year 2023 (2022: EUR 1.05 million).

Asset position

Overview of balance sheet items	31/12/2023		31/12/2022	
	kEUR	%	kEUR	%
Non-current assets	**39,647**	**33.3**	**34,148**	**14.1**
Fixed assets	39,025	32.7	33,405	13.7
Deferred tax assets	537	0.5	632	0.3
Other non-current assets	85	0.1	111	0.1
Current assets	**79,661**	**66.7**	**209,455**	**85.9**
Inventories	13,707	11.5	10,780	4.4
Trade receivables	3,933	3.3	3,601	1.5
Other current assets	6,609	5.5	5,372	2.2
Cash and cash equivalents	55,412	46.4	189,702	77.8
Assets	**119,308**	**100.0**	**243,603**	**100.0**
Non-current liabilities	**108,520**	**91.0**	**231,085**	**94.9**
Equity attributable to 3U HOLDING AG shareholders	88,724	74.4	210,364	86.4
Minority interest	824	0.7	808	0.3
Provisions and liabilities	18,972	15.9	19,913	8.2
Current liabilities	**10,788**	**9.0**	**12,518**	**5.1**
Trade payables	4,682	3.9	3,044	1.2
Other provisions and liabilities	6,106	5.1	9,474	3.9
Shareholders' wquity & iabilities	**119,308**	**100.0**	**243,603**	**100.0**

Assets

Total assets stood at EUR 119.31 million on 31 December 2023 (31 December 2022: EUR 243.60 million) and have therefore declined by EUR 124.30 million compared with the year-earlier reporting date, in line with expectations. The contraction of the balance sheet is essentially attributable to the lower level of cash and cash equivalents as a result of the exceptionally high dividend distribution for the financial year 2022. At the end of the reporting year, the 3U Group had cash and cash equivalents of EUR 55.41 million at its disposal (31 December 2022: EUR 189.70 million). This was principally offset in 2023 by the increase of EUR 2.33 million in intangible assets essentially resulting from acquisitions to EUR 5.50 million and higher contract assets which climbed from EUR 0 million to EUR 0.51 million, along with the higher level of inventories which rose by an overall EUR 2.93 million to EUR 13.71 million due above all to stockpiling in the SHAC segment. These stocks were needed for the ThermCube launch, on the one hand, and for ensuring delivery capability once demand in e-commerce picks up again, on the other. Upon acquiring the office space in the InnoHubs building in Würzburg originally used by weclapp SE, the Group recorded an increase in investment property to EUR 3.60 million (31 December 2022: EUR 0). In addition, income tax receivables rose to EUR 1.21 million overall (31 December 2022: EUR 0.36 million). Non-current assets totalled EUR 39.65 million in the reporting year (31 December 2022: EUR 34.15 million). Property, plant and equipment worth EUR 27.00 million (31 December 2022: EUR 28.41 million) constituted the largest item, which was mainly attributable to the facilities for generating energy in the Renewable Energies segment. Current assets amounted to EUR 79.66 million as of 31 December 2023 (31 December 2022: EUR 209.46 million).

Shareholders' equity and liabilities

The virtually full payout of 3U HOLDING AG's profit available for distribution to the shareholders is also reflected in the Group's equity. As of 31 December 2022, consolidated result, which had increased due to the sale of weclapp SE, stood at EUR 158.99 million compared with the 2023 reporting date when this item posted EUR 2.55 million. The Group's equity had declined to EUR 89.55 million by year-end 2023 as against EUR 211.17 million on 31 December 2022 – with treasury shares in nominal amount of EUR 3.24 million as of 31. Dezember 2023 (31 December 2022: EUR 0 million) having been deducted from this figure. Since the 3U Group was in a position to reduce its liabilities in the financial year 2023, the consolidated balance sheet continues to report a very sound equity ratio of 75.1 % (31 December 2022: 86.7 %). As of 31 December 2023, the sum total of the Group's current and non-current liabilities had been reduced by EUR 32.43 million to EUR 29.76 million. Largely in the context of the scheduled redemption of loans in the Renewable Energies segment, non-current financial liabilities declined to currently EUR 14.15 million compared with EUR 15.14 million as of 31 December 2022. Other current liabilities had decreased significantly to EUR 2.84 million by the reporting date (31 December 2022: EUR 6.05 million). This change was due partly to the payment of payroll tax liabilities in connection with the exercising of share options and partly to performance-based bonus payments to employees, management and the Supervisory Board following on from the successful completion of the sale of weclapp at the end of 2022.

The key financials remained at a good level at the end of the reporting period. As expected, the debt-to-equity ratio advanced to 33.2 % (31 December 2022: 15.4 %) due to the significant changes in equity. As of 31 December 2023, net debt (current and non-current financial liabilities minus cash and cash equivalents) came in at EUR –39.80 million (31 December 2022: EUR –173.16 million). Working capital (current assets minus current liabilities) currently stands at EUR 68.87 million, compared with EUR 196.94 million at the end of 2022.

Financial position

Cash flow development

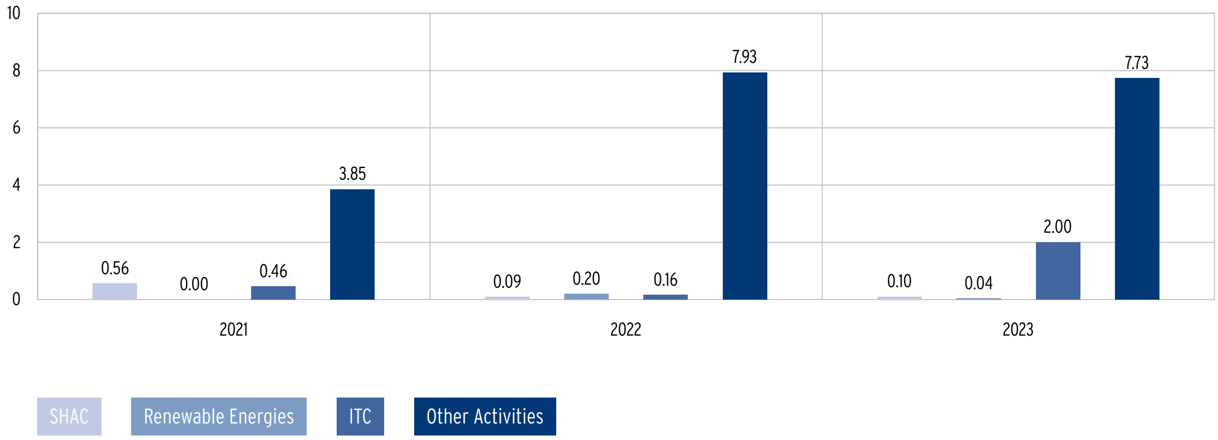
The cash flow statement below shows the changes in cash and cash equivalents and is prepared in accordance with the cash flow statement presented in the consolidated financial statements (without correction of cash and cash equivalents).

Cash flow statement (kEUR)	2023	2022
Cash flow	**-134,290**	**176,987**
Cash flow from operating activities	465	16,542
Cash flow from investing activities	-7,746	147,817
Cash flow from financing activities	-127,009	12,628
Total changes from cash and cash equivalents	**-134,290**	**176,987**
Cash and cash equivalents at the beginning of the year*	**189,702**	**12,715**
Cash and cash equivalents at the end of the year**	**55,412**	**189,702**

*Incl. fixed deposits as collateral resp. restricted cash in the amount of kEUR 2,888 (1 January 2021: 5,098 kEUR)
**Incl. fixed deposits as collateral resp. restricted cash in the amount of kEUR 2,972 (31 December 2021: kEUR 2,888)
*

In the financial year 2023, the 3U Group's liquidity management was essentially determined by dividend distribution, the acquisition of the cs companies and the share buyback. In addition, the Group recorded cash outflows for acquiring the office property in Würzburg and, to a lesser degree, for expanding data centre capacities in the ITC segment.

Development of investments in EUR million



The operating cash flow came in at EUR 0.47 million in the financial year now ended (2022: EUR 16.54 million). Cash outflow from the changes in other liabilities and inventories were offset last year by the sale of space in the InnoHubs office complex that resulted in a decline in inventory and thus in the respective cash inflow in a 2022. A countertrend emanated from the increase in trade payables which accounted for a cash inflow of EUR 1.13 million in 2023 (2022: cash outflow of EUR 0.20 million).

The cash flow from investing activities in 2023 was largely determined by the takeover of the cs companies and by the acquisition of office space in Würzburg. Conversely, the Group reported a cash inflow of EUR 158.81 million from the sale of the weclapp investment in the previous year. Consequently, this resulted in a cash outflow from investing activities of EUR 7.75 million on balance (2022: cash inflow of EUR 147.82 million).

The cash flow from financing activities disclosed a cash outflow of EUR 127.0 million (2022: cash inflow of EUR 12.63 million). In the financial year, this item was largely determined by payments to 3U HOLDING AG's shareholders and to minority interest, as well as by the share buyback and the scheduled redemption of loans and leasing liabilities. An offsetting effect only came from capital contributions in the context of the share option programme.

The 3U Group was able to meet its payment obligations at all times in the period under review, which is also guaranteed for 2024. The liquidity position continued to be very sound as of 31 December 2023.

In addition, a credit line exists in an amount of EUR 1.50 million that was drawn down as part of a guarantee facility through sureties of EUR 0.56 million (31 December 2022: EUR 0.57 million). The credit line is secured by EUR 1.50 million bank deposits.

Capital structure

The changes in many pertinent items in the statement of financial position and in the financial ratios in 2023 compared with the previous year are largely due to the divestiture of the weclapp participating investment and the InnoHubs construction project, along with the associated high dividend distribution in the reporting period. In this context, changes in cash and cash equivalents correspond to changes in equity.

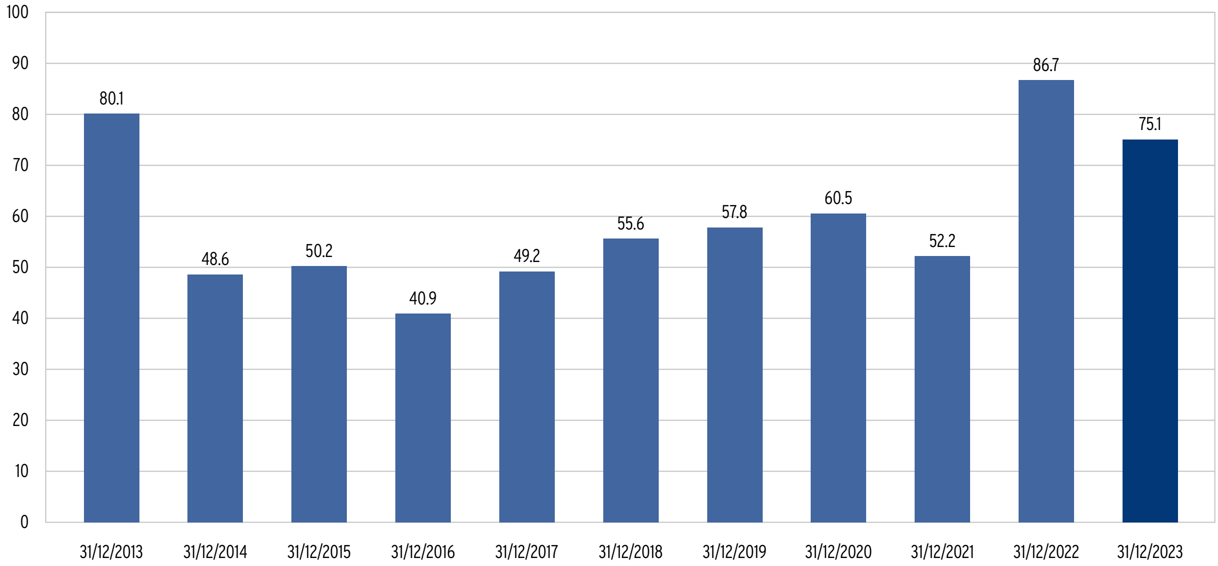
Restricted cash and cash equivalents increased only marginally to EUR 2.97 million in the financial year (2022: EUR 2.89 million). Taking account of these restrictions, liquid funds amounted to EUR 52.44 million at the end of the reporting period (1 January 2023: EUR 186.81 million).

Cash and cash equivalents totalled EUR 55.41 million as of 31 December 2023 (31 December 2022: EUR 189.70 million).

3U HOLDING AG deposits its funds mainly in sight deposits, call accounts and short-term time deposits at Baden-Württembergischen Bank, Sparkasse Marburg-Biedenkopf and Deutsche Kreditbank AG.

The positive consolidated 2023 profit contributes to an unchanged healthy – albeit reduced compared to the previous year – net financial position and thus to securing the equity ratio. As of 31 December 2023, this ratio stood at 75.1 % (31 December 2022: 86.7 %). The absolute amount of equity amounted to EUR 89.55 million at year-end 2023, compared with EUR 211.17 million as of 31 December 2022.

Development of the equity ratio in %



General statement by the Management Board of the development of business

The net assets, financial position and results of operations within the Group of 3U HOLDING AG can be considered resilient and good as of 31 December 2023. Following the successful takeover and integration of the cs companies in the ITC segment and the resulting positive effects on the Group's results of operations, but also thanks to the generally very satisfactory income from electricity yields in the Renewable Energies segment, management confirms that the 3U Group's performance in the 2023 financial year was fundamentally very sound. The SHAC segment did not develop in line with expectations in the period under review but nevertheless outperformed the market and German e-commerce sector overall. This segment's revenue in 2023 fell short of the year-earlier counterpart, however. In terms of the balance sheet, the comfortable level of cash and cash equivalents is juxtaposed to strong equity. The Management Board can look back on a very challenging but solid financial year. The Board considers the Group to be well positioned and set up for further profitable growth. The company continues to enjoy financial headroom for investments aimed at strengthening and expanding its business model. 3U HOLDING AG was in a position meet all its financial obligations in full at all times, which is also ensured for 2024.

3U HOLDING AG

3U HOLDING AG is the operating management and investment holding company which heads up the 3U Group. The holding company manages and monitors all important activities within the Group. It is tasked with defining the corporate strategy and directing the development of the 3U Group. Furthermore, 3U HOLDING AG is in charge of accounting and controlling in the 3U Group, operates the groupwide risk and opportunities management, and oversees the Legal Affairs, Investor Relations and Corporate Communication departments. It also allocates financial resources, for capital expenditure and acquisitions, for instance. HR policy and development and supporting the Group's senior management are also part of its remit. The members of 3U HOLDING AG's Management Board have operational responsibility in dual roles also as managing directors of subsidiaries.

In drawing up the annual accounts, 3U HOLDING AG complies with the provisions set out under the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) with respect to accounting, measurement and disclosure. The consolidated financial statements are prepared under the assumption of going concern. The income statement is prepared using the total cost method.

The following explanations pertain to the separate annual financial statements of 3U HOLDING AG. In individual cases, certain transactions in the consolidated financial statements are reported differently in accordance with IFRS.

Analysis of the annual financial statements

Result of operations

3U HOLDING AG's total revenue came in at EUR 2.13 million in 2023 (2022: EUR 2.11 million). Revenue essentially comprises management services rendered to 3U HOLDING AG's subsidiaries and holdings, as well as income from letting and leasing. Higher revenues result from higher rental income and equally from the higher level of management services.

The operating income and expenses shown in the following were incurred in particular in the context of the company's management and holding function. Accordingly, the result is mainly determined by general administration costs, other operating income and the financial result.

Other operating income came in at EUR 0.82 million in the past financial year 2023 (2022: EUR 169.81 million). This amount also includes out-of-period income of EUR 0.30 million and other income of EUR 0.20 million from affiliated companies (2022: EUR 0.16 million). In the previous year, this item was impacted in particular by the sale of weclapp SE and InnoHubs GmbH.

Personnel expenses of EUR 2.72 million were incurred for members of 3U HOLDING AG's Management Board and for the employees compared with EUR 4.93 million in the previous year. In 2022, this item included one-off performance bonuses of EUR 2.28 million for employees and management.

Other operating expenses stood at EUR 9.29 million in the financial year 2023 (2022: EUR 7.03 million) and are largely attributable to specific value adjustments amounting to EUR 6.60 million in respect of receivables from affiliated companies (2022: EUR 0.74 million). In addition, other operating expenses essentially consist of intercompany services totalling EUR 0.58 million (2022: EUR 0.62 million), maintenance and premises costs of EUR 0.52 million (2022: EUR 0.39), as well as accounting and auditing costs of EUR 0.55 million (2022: EUR 0.42 million). Supervisory Board remuneration – including fringe benefits – was incurred in an amount of EUR 0.07 million in the financial year 2023 (2022: EUR 1.29 million). In the previous year, transaction consulting costs of EUR 2.32 million were also included in this amount.

The financial result of EUR 4.88 million (2022: EUR 3.11 million) comprises income from participating interests (investments) of EUR 0.81 million (2022: EUR 0.44 million), income from profit and loss transfer agreements of EUR 3.05 million (2022: EUR 3.30 million), expenses from the assumption of loss amounting to EUR 2.53 million (2022: EUR 1.60 million) and from net interest income of EUR 3.56 million (2022: EUR 1.03 million), as well as from write-downs of EUR 0.01 million of financial assets (2022: EUR 0.06 million). The investment result originates from the profit generated by the subsidiaries in the ITC and Renewable Energies segments. Compared with the previous year, expenses from the assumption of losses have increased.

In the financial year 2023, a net loss of EUR 5.05 million was therefore incurred, which included the balance of specific value adjustments and write-ups of receivables from affiliated companies totalling EUR 6.60 million. In the previous year, the sale of the participating investment in weclapp i.a. resulted in a significant increase in other operating income and was therefore a determining factor for the annual net income of EUR 161.98 million.

Financial position

As of the reporting date, 3U HOLDING AG had granted its subsidiaries short-term loans in an overall volume of EUR 23.45 million (31 December 2022: EUR 21.19 million) to promote the development/expansion of their business activities. Of these loans, EUR 12.75 million was impaired as of 31 December 2023 (31 December 2022: EUR 6.15 million). In the case of a number of loans, the company anticipates temporary impairment for which valuation allowances have been formed in accordance with prudent business practice.

Cash and cash equivalents stood at EUR 43.86 million as of 31 December 2023 (31 December 2022: EUR 178.97 million). The significant decrease in cash and cash equivalents is mainly due to dividend payment, the takeover of the cs companies, and the share buyback in the financial year 2023. As in the previous year, the time deposit is pledged as collateral in an amount of EUR 1.50 million to secure the company's own credit lines. As of 31 December 2023, these credit lines had been drawn down under a guarantee credit in an amount of EUR 0.56 million (31 December 2022: EUR 0.57 million). Gold stocks worth EUR 2.98 million were reported under Other assets (31 December 2022: EUR 2.98 million), along with as corporation tax refunds of EUR 0.86 million (31 December 2022: EUR 0.17 million). In the previous year, loan receivables of EUR 0.64 million due from employees in connection with the share option programme were disclosed under this item.

Asset position

3U HOLDING AG's total assets stood at EUR 99.94 million as of 31 December 2023 (31 December 2022: EUR 232.13 million) and have therefore more than halved in a year-on-year comparison.

At EUR 18.58 million, property, plant and equipment was 29.6 % higher overall than on the year-earlier reporting date (31 December 2022: EUR 14.34 million), which was mainly due to purchasing office space in Würzburg and investment in building the new administration location in Marburg. The financial assets of EUR 14.71 million (31 December 2022: EUR 10.58 million) have increased by 39.1 % due especially to the takeover of the cs companies.

In connection with the specific value adjustments in respect of receivables, the portfolio of receivables from affiliated companies decreased further to EUR 18.39 million (31 December 2022: EUR 23.95 million).

By comparison, the liabilities from affiliated companies of EUR 10.42 million rose by 7.1 % year on year due to reporting-date-related effects (31 December 2022: EUR 9.73 million). With a view to optimising the deployment of the funds available within the group of companies, 3U HOLDING took out a loan in the case of 3U TELECOM GmbH in 2023. The loans taken out for subsidiaries OneTel Telecommunication GmbH and LineCall Telecom GmbH in the previous year have been retained.

Current assets including prepaid expenses and deferred charges of EUR 66.62 million (31 December 2022: EUR 207.18 million) accounted for 66.8 % (31 December 2022: 89.3 %) of the total assets. Cash and cash equivalents of EUR 43.86 million formed a major part of this item (31 December 2022: EUR 178.97 million).

Equity came in at EUR 79.07 million (31 December 2022: EUR 208.28 million). The considerable decline is due in the main to the dividend paid out for the fiscal year 2022. The equity ratio therefore posted 79.1 % on 31 December 2023 (31 December 2022: 89.7 %).

Proposal for the appropriation of profit available for distribution

The Management Board and the Supervisory Board will submit a proposal to the company's Annual General Meeting to use the profit of EUR 1.79 million available for distribution to pay dividend of EUR 0.05 per share.

Opportunities and Risk Report

Opportunities report

Risks and opportunities are both systematically identified and assessed at 3U.

Potential opportunities are discussed and documented in the risk inventories of the individual companies. A more detailed analysis and assessment of the opportunities and possible measures are incumbent on the Management Board and the senior executives of the respective companies in the context of their corporate strategies.

As opportunities always entail risks, it is useful wherever possible to consider risks and opportunities together in order to exploit the potential opportunities for profit in a controlled manner once a deep insight about the risks and the context has been gained. The significant opportunities identified within the individual segments are presented below.

The disposal of parts of the company or business segments, an example being the successful sale of the weclapp investments in 2023, create financial headroom for 3U to promote external growth. This approach enables the Group to accelerate its growth rate through the targeted acquisition of competitors and/or established clientèle in the ITC and SHAC segments, or by taking over facilities in the Renewable Energies segment. In the year now ended, 3U successfully concluded the acquisition of the cs Group in its ITC segment. However, neither the concrete opportunity of such acquisitions nor a successful exit can be reliably planned. If 3U can exploit such opportunities, revenue and earnings in the Group may diverge from planning at the time for the individual segment or for the Group.

We continuously monitor our current and potential market with regard to opportunities for strategic mergers, acquisitions, participations and partnerships which allow us to bolster our organic growth. Activities of this kind can support us in strengthening our current market position or in developing new markets.

ITC segment

Although the assumption must be made that revenue in the conventional Voice Retail business line is set to decline further in the short term through to the time when the underlying agreement with Telekom Deutschland GmbH expires at the end of 2024, new products in the Data Centre & Managed Services business lines offer profitable opportunities for the ITC segment.

This applies in particular to the newly launched Managed Services offering. Sales and revenue in this business may increase more swiftly than planned if marketing and sales activities succeed in winning numerous customers more swiftly than expected. In addition, this offering and the longer term contracts customary in the sector give rise to the opportunity of recurring revenue, and thus of improved planability of future growth.

In Voice Business, the Next Generation Network as a powerful technology platform contributes to lowering costs while enhancing flexibility. This gives rise to the opportunity of winning additional customers in greater numbers than originally planned, and also of raising the contribution margins in this business.

Renewable Energies segment

The political priorities aimed at facilitating achieving the climate targets, along with the progressive transition away from conventional sources of energy, serve to boost the demand for renewable energies, particulary as far as electricity production is concerned.

The 3U Group is well positioned with its portfolio of existing wind farms, the Adelebsen Solar Park, and a number of projects in the pipeline. Sale of wind farms and/or photovoltaic facilities might be possible, as in the past, but would only lead to non-recurrent funding inflows, however. Conversely, this also means that the resulting income from operating the facilities would no longer apply. In progressing project developments, 3U HOLDING AG could also take advantage in the future of various selling opportunities of wind farm projects, also at an early stage. The company also keeps the option open of operating completed wind farms itself as part of its exposure in the Renewable Energies segment and thus of generating additional cash flows in the future.

The assumptions for the financial year 2024 in this segment are based on fixed feed-in remuneration for solar electricity under the German Renewable Energies Act (EEG), on the one hand, and on the average monthly market values for onshore wind in 2023, on the other. Power purchase agreements had already been negotiated for the Klostermoor and Roge wind farms in the reporting year under which the energy produced was fed into the grid at fixed prices. There was no fixed-price power purchase agreement for Langendorf Wind Farm in 2023. If the prices achievable for electricity change significantly over the course of the year or diverge considerably from the company's own assumptions, this would also impact the development of revenue and profit in the Renewable Energies segment.

In the context of the repowering project applied for regarding the Langendorf Wind Farm, 3U HOLDING AG is taking account of the rising demand anticipated for electricity from wind power. In addition, plans are underway for upgrading the wind farms in Klostermoor and Roge in the years ahead. If approval procedures for such undertakings accelerate due to changed regulatory requirements, additional sales and earnings from repowering projects planned for the medium term may materialise earlier than expected.

In the medium term, changes in the legal position in Brandenburg could give rise to further opportunities. In 2023, the federal state switched its regional planning to what is known as tender planning with regard to the construction of wind farms and the availability of land. This change of approach will enable 3U to revive and resume its existing development projects. These projects have so far not been incorporated into current planning.

Agrivoltaics constitute a promising approach to expanding renewable energies. Agrivoltaic facilities produce solar electricity with the aid of solar modules and, by way of special assembly, also allow for the cultivation of crops between or below the PV modules. Pasture-based agrivoltaic systems use agricultural land efficiently without displacing it. In addition, such systems minimise the environmentally damaging impact on local ecosystems, which raises society's acceptance of agrivoltaic systems and of renewable energies. Privileges relating to actual construction enable agrivoltaic systems to be realised generally faster compared with installing conventional ground-mounted PV projects and wind farms. If strategic projects such as these can be swiftly implemented, this could also accelerate the expansion of power generating capacities in the segment in the future. The current planning for 2024 does not yet include projects of this kind.

SHAC segment

Expanding the product portfolio, for instance by including pumps, ventilation equipment and pipe installation systems, along with components for water purification and floor heating, has contributed to the businesses' e-commerce growth and will continue to do so in the future. In addition, launching new product groups, flanked by raising the volume of the segment's own brands in the range, open up new earnings opportunities.

For example, the launch of the new ThermCube in the financial year 2023, a heat pump central heating unit in a cabinet, elicited keen interest in the market as an innovative system solution for climate-neutral heating. In this instance, planning nevertheless provides for a longer market launch, with the number of units sold initially slowly picking up momentum. If demand should develop more strongly than anticipated, especially if major customers are won or new sales partnerships are agreed, or for reason of improved framework conditions, and delivery capability is guaranteed, sales and revenue could develop in much greater dimensions than currently expected.

Digitalisation and the comprehensive automation of internal processes, such as harmonising supply and procurement, will open up further opportunities for strengthening earnings. If the completion date of this project is earlier than planned and the savings potential to be realised is greater, this will also create additional, sustained earnings potential.

Given the price pressure, procurement is becoming increasingly important. Conditional upon improved supply by the industry, the standardised management of procurement for SHAC segment companies enables us to generate higher procurement volumes than would be possible in the individual companies. More favourable procurement conditions may possibly be passed onto the customer and above-average gains in market shares may be achieved.

A large volume of the traffic on the webshop in the SHAC segment's e-commerce business originates from organic and therefore unadvertised channels, which is also due to the awareness of the brands of Selfio and PELIA. Particularly in the case of consumers ordering home technology for the first time online, established brands and a certain familiarity in the industry are advantageous for ruling out misuse or a negative experience. Above average ratings on consumer portals such as Trustpilot encourage new customers to quickly gain trust. This trust and a good reputation could be instrumental in 3U deriving above-average benefit in the SHAC segment from the growing DIY market and the accelerating move away from offline to online.

Risk report

Risk management system of 3U HOLDING AG

Entrepreneurial activity is always associated with risk. Deliberately entering into risks to promote entrepreneurial success is unavoidable and expedient. The 3U Group approaches all risks and opportunities systematically. It pursues the goal of identifying risks in a controlled and deliberate manner and managing them, while exploiting opportunities when they arise. The 3U Group's risk policy therefore defines the desired relationship between risks and opportunities and incorporates it into the strategic corporate goals.

As part of groupwide risk management, individual risks are regularly reviewed, assessed and reported on by the risk owners and risk managers. By contrast, opportunities are identified and documented in particular when the risk inventories of the individual companies are carried out. As part of the annual medium-term planning, comprehensive analyses and evaluations of risks and opportunities are also performed by the respective management teams and the Management Board. The entire risk management system with its processes, documentation and reports therefore serves to secure the strategic corporate goals and to promote the company's success.

In order to achieve optimum corporate and risk management, the Management Board has access to a risk management system which is adequate for the Group and also complies with legal and regulatory requirements. The groupwide risk management system factors in all the risks of the parent company and its subsidiaries.

The risk management system is continuously adjusted to changes in the environment and is subject to ongoing development with a view to ensuring that, along with internal changes, external factors such as changes in the law or in the market are also taken into account. Furthermore, methods, definitions and workflows are considered and, if appropriate, adjusted to reflect current conditions.

With regard to optimal risk assessment, all subsidiaries report material risks in 3U HOLDING AG's risk management system using a uniform methodological approach. In addition, specific risks existing in the individual companies are assessed and reported by them.

3U HOLDING AG's risk management system complies with statutory requirements.

As part of a continuous, groupwide process of improvement the 3U Group has connected up the areas of compliance, accounting processes, ICS and risk management to form an aggregate of interlinked individual systems. The Group consults the internationally recognised standard and COSO ERM framework for guidance to the extent that management considers the approaches described therein as appropriate for risk management. In doing so, the Management Board and Supervisory Board of the 3U Group emphasise the importance placed on corporate governance which stands for responsible management and control of the company aligned to long-term success.

Risk management strategy

The Management Board determines the risk management strategy which is derived from the corporate goals and establishes the fundamental conditions for the risk management system. This system is used as a basis for creating, deriving and implementing strategic and operational measures for achieving the goals. The aim here is not to prevent all potential risks generally and comprehensively but to explore and exploit the scope for action and to take the measures suitable for mitigating risks. The strategy is always defined and implemented based extensive knowledge of interrelationships between the individual risks and the countervailing opportunities.

Responsibility and reporting concept

The risk management system, introduced some time ago by 3U HOLDING AG's Management Board, has also proven to be efficient and fit for purpose. All the Group's employees are under obligation to act in an awareness of the risks in the context of the tasks and responsibilities assigned to them. The respective operating Group companies and the risk owners appointed by name, if appropriate, are directly responsible for the early detection and management of risks. Regular information and updated documentation make a contribution to all employees being aware of the requirements and procedures of risk management.

Professional risk management software is used to document and improve the risk management processes and workflows with regard to effectiveness and efficiency in the risk management system within the Group. The software supports all risk owners and the risk manager in evaluating and managing the risks for the Group companies.

Overall responsibility for the functionality and effectiveness of the risk management system rests with 3U HOLDING AG's Management Board. As risk owners, the members of the Management Board are active users of the risk management software deployed throughout the Group and are thus informed about current changes at all times. In addition, the risk manager regularly reports on the current risk situation and its possible future development as part of standardised reporting. Along with 3U HOLDING AG's Management Board, the Supervisory Board is also provided with standardised reporting by the Group's risk officer. The managing directors of the respective subsidiaries are required to keep themselves continuously informed about the risk situation in their companies by means of access to the risk management software. The use of the risk management software enables reporting to be made in great detail. After consulting the risk manager and the risk owner, where appropriate, the Management Board decides on content from the risk management system and initiates any necessary measures based on the current risk assumptions. In addition, the Management Board regularly informs the Supervisory Board on how risks are developing and on the measures taken.

The risk manager informs Supervisory Board at least once a year about the efficiency and effectiveness of processes under the risk management system, as well as compliance with the rules and regulations. Moreover, reports are submitted on other topics including the accounting process, ICS and compliance management to enable the Supervisory Board to systematically discharge its supervisory duties in accordance with Section 107 (3) sentence 2 of the German Stock Corporation Act (AktG).

Methodology of the risk management system

In the risk management system of the 3U HOLDING AG Group, opportunities and risks are recorded in regular discussions and risk inventories down to departmental level and operational work processes of the individual subsidiaries in order to identify developments at the earliest stage possible that could impair and threaten the respective company as a going concern and to recognise and utilise promising developments to the greatest extent possible. If acute risks are identified, these are also integrated into the system and reported on at the next possible reporting date. The risks and opportunities identified in this way are assessed in terms of possible loss/expected results and the probability of occurrence.

With regard to the risks identified as acute or in the context of a risk inventory, indicators based on a system of scores and the relevant thresholds suitable for facilitating the monitoring and assessment of risks are defined. Identified risks are constantly monitored and assessed by the decentralised risk managers and the central risk manager drawing on operational and financial key figures which, in turn, forms the basis for regular reporting.

Definition of risk

Risk is defined as the possibility of a negative divergence between the actual and anticipated result (corporate goal). There is an inherent danger of adverse events occurring (loss of assets and/or of earnings) or that events do take place as desired (lost opportunities).

Definition of gross and net risk

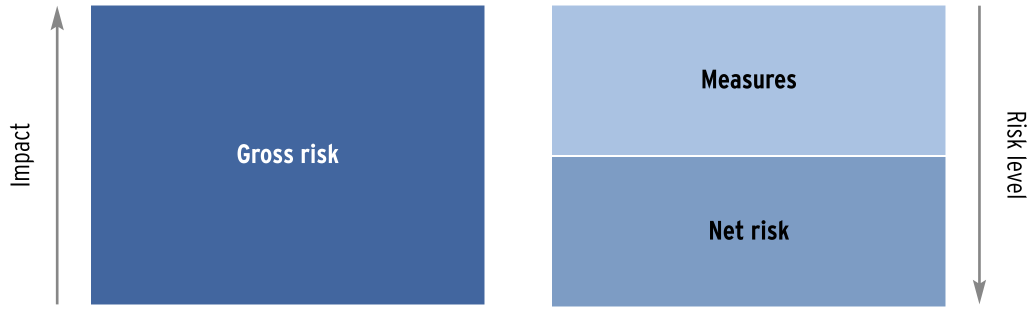
Evaluating the risks identified in the context of the risk inventory is performed on the basis of gross and net risk methodology. In determining gross risks, the compensating controls of limiting and managing risks are initially not taken into account. Compensating controls are measures defined and suitable for avoiding, mitigating or transferring risk. In addition, there is also a possibility of taking on risk at an acceptable level, provided that reducing risk further is not economical.

Considering gross risk is indispensable since the danger of merely evaluating risk from a net perspective is that the risks which are currently well controlled, but nevertheless pose a threat to the company as a going concern, are not monitored on an ongoing and timely manner. This may lead to changes in the processes and any resulting additional risks not being detected in time.

The risk mitigating measures in place are considered in deriving net risks from gross risks.

Gross risks translated to net risks (residual risks)

The internal controls enable management to reduce gross risks down to the level of the remaining net risks or residual risks through flexibly determining these risks and taking suitable measures.



Assessing both gross and net risks in the categories of amount of loss and probability of occurrence is performed with the aid of scores.

The following scores have been assigned to the probability of occurrence:

(1) Unlikely	– Less than 5 %
(2) Low	– At least 5 % and lower than 35 %
(3) Medium	– At least 35 % and lower than 65 %
(4) High	– At least 65 % and lower than 95 %
(5) Almost certain	– At least 95 % to 100 %

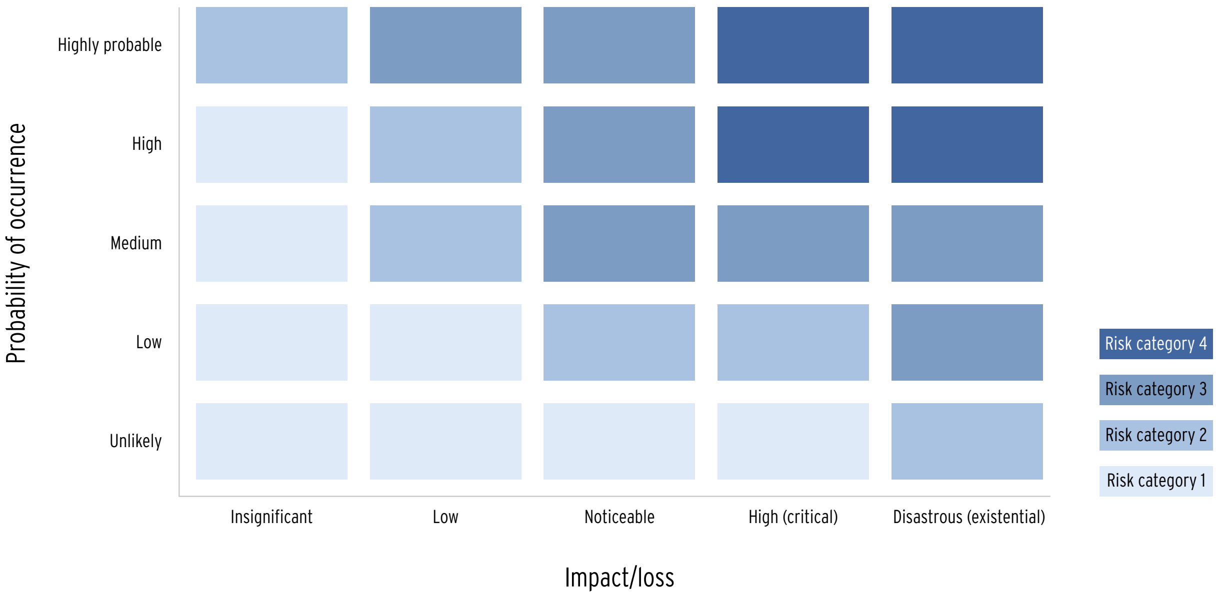
The amount of loss is determined individually for each company at the level of the respective company. Individual risks are aggregated at Group level and categorised based on an evaluation scheme.

The loss associated with the aggregated risk within the Group is geared to the subscribed capital of 3U HOLDING AG. The scores are assigned to different amounts of loss (impact/loss).

(1) Negligible	– the share capital is depleted by less than 5 % or EUR 1.8 million
(2) Low	– the share capital is depleted by at least 5 % or EUR 1.8 million and less than 10 % or EUR 3.6 million
(3) Noticeable	– the share capital is depleted by at least 10 % or EUR 3.652 million and less than 25 % or EUR 9.0 million
(4) High (critical)	– the share capital is depleted by at least 25 % or EUR 9 million and less than 50 % or EUR 17.9 million
(5) Disastrous (existential)	– the share capital is depleted by at least 50 % or EUR 17.9 million or more

After the risk inventories have been drawn up, the scores ascertained are transferred to the software. The scores and the categories based on the quantitative assessment are presented as part of regular reporting in the form of loss amounts in euros and probability of occurrence in percent. Multiplying these two parameters results in an expected value in euros. This is used to divide the risk into four categories.

Risk categories



Risk category 4 denotes the highest category, with risks which are potentially critical for the 3U Group as a going concern.

All risks identified are managed based on the probability of occurrence and the amount of loss. A differentiation is made between the measures deployed in terms of their scope, depending on the type and classification of the individual risks.

In individual cases, the Management Board may remove a risk from risk control if, in the context of monthly reporting over a period of at least six months, the assessment is in Category 1 as the lowest risk.

Selected material gross risks of the company are listed below in a net risk drilldown according to qualitative criteria. As illustrated in the chart above, expected values are calculated from the individual probabilities of occurrence and the amount of loss and assigned to the individual risk categories 1 to 4. The arrows show the change in the risk category compared with the previous year, with an arrow pointing down to indicate a change to a lower risk category assigned to the individual risk categories 1 to 4. The arrows show the change in the risk category compared with the previous year, with an arrow pointing down to indicate a change to a lower risk category.

Risks	Probability of occurrence	Amount of loss	Expected value	Changes compared with the previous year
Operational risks				
ITC segment	Low	Negligible	1	→
Renewable Energies segment	Low	Negligible	1	↘
SHAC segment	Low	Negligible	1	→
Strategic risks				
ITC segment	Low	Negligible	1	↘
Renewable Energies segment	Low	Negligible	1	→
SHAC segment	Low	Negligible	1	↘
Regulatory risks				
ITC segment	Unlikely	Negligible	1	→
Renewable Energies segment	Medium	Negligible	1	↘
SHAC segment	Low	Negligible	1	↘
Financial risks				
ITC segment	Medium	Negligible	1	→
Renewable Energies segment	Unlikely	Negligible	1	↘
SHAC segment	Low	Negligible	1	↘

→ Unchanged ↘ Decreased ↗ Increased

Risks

Significant current and future risks in the Group

Out of the entirety of the risks identified for the Group, the significant risks in the individual segments which, from today's standpoint, could exert a significant influence on the net assets, financial position and results of operations of the individual companies and, as a sum total, on the 3U Group if they occurred are outlined below.

In the 2023 reporting year, the risks in the ITC and Renewable Energies segments were once again the risks with the highest potential in terms of the amount of loss and the probability of occurrence. This is because the expected values of the loss amounts if the risks occurred in these two segments significantly exceeded the expected amounts of loss incurred by risks in the SHAC segment or other risks that have a direct or indirect impact on the 3U Group. The risk inventories of the Group companies mostly affirm the risks from past inventories, with only the extent of the amount of loss and probability of occurrence varying. New risks and risk scenarios were, however, identified and assessed, while other risks were eliminated due to project completions, for instance.

If new companies are integrated into the 3U Group through investments, these companies undergo a risk inventory which is conducted as swiftly as possible in order to identify and assess company-specific risks. If new companies are integrated into the 3U Group through investments, a risk inventory is carried out on these companies as swiftly as possible in order to fundamentally identify and assess company-specific risks. These companies and their risks are automatically integrated into the Group's risk management system.

General economic risks in the segments

In addition to the risks specific to the company and to the segment resulting from the business environment and the individual sectors in which the companies operate, there are many risks whose identification, assessment and management are, for example, universally applicable and necessary across segment boundaries. Operating risks pertain to contractual obligations, potential downtime and damage to technical systems, for instance, as well as to personnel and the maintaining of business processes. Strategic risks relate to the regulatory environment and changes in legal conditions, among other aspects.

All business decisions of a company are based on contracts, also with business partners. Almost all parts of the organisation structure within the Group are affected. Contract risks exist, for instance, in compliance with legal requirements when drawing up contracts, fulfilling contractual deadlines and in contract enforcement with business partners.

The Group manages this risk by way of contract management carried out by the internal Legal department. In addition, specific criteria are reviewed and assessed when selecting business partners. The ITC segment's services are based mainly on software applications, along with information and telecommunications technologies. Deploying these technologies is also of huge significance in the Renewable Energies and SHAC segments. IT availability and the IT infrastructure are essential for maintaining business operations and implementing critical processes. Appropriate system redundancy, timely replacement investments and regular maintenance keep this risk at a level customary in the market. The 3U Group counteracts these IT risks through aligning the information security management system with ISO 27001, among other measures.

Highly qualified personnel are required in all parts of the 3U Group's companies. The absence or loss of necessary knowledge or skills and experience in key positions at these companies could jeopardise the achieving of the respective business objectives and restrict the ability to seize opportunities as they arise. HR management of most parts of the Group is therefore run centrally via 3U HOLDING AG. Suitable employees are searched for and hired, or existing staff trained further in accordance with the planning requirements. Observing the customary principles practised in personnel management forms the basis of a positive working atmosphere. Personnel management and development lay the foundation for a positive corporate culture. In addition, a performance-based remuneration system, combined with internal and external training measures, ensure a high level of loyalty and affinity with the company on the part of qualified employees, which is reflected in their commitment and long-term service to the company. These measures are also effective when new skilled employees and especially managers are integrated into the Group as a result of investment activities or the acquisition of companies by 3U HOLDING AG.

Achieving the Group's targets requires them to be aligned to the business processes and the associated productivity of the Group. This also applies to companies which are integrated into the Group structures following an acquisition or investment by 3U. The use of modern methods in quality and process management also supports continuous improvement in this area. In addition, vertical and horizontal communication within the company must be efficient and in keeping with the assigned responsibilities and defined measures.

Operating instructions, as well as descriptions of functions and guidelines which are regularly revised and updated as required, also in the context of quality management, form the basis for this communication.

Compliance risks

Compliance management is part of the groupwide risk management system. With a view to fulfilling the increasingly sophisticated requirements and expectations and to mitigating risks as they arise, compliance management is developed on an ongoing basis. The key components of compliance management consist of a value management system, a whistleblowing process, internal guidelines, along with other organisational and procedural regulations. Training and measures to raise awareness are regularly held with respect to the binding rules and standards. In order to further mitigate the risks arising in the field of compliance and for the purpose of coordinating and further optimising compliance management, the position of compliance manager was created specifically to assume these responsibilities.

Risks arising from regulation and changes in the legal framework conditions

Risks from regulation and changes in the legal framework conditions in the ITC segment and especially in the Renewable Energies segment will continue to prevail with respect to the 3U Group's current segments and future investments. In the past, the 3U Group took an important step in the field of renewable energy projects by developing wind farm projects. Appropriate and reliable planning of major projects in this segment is, however, hampered by continuous changes in the legal prerequisites. The Group will continue to observe these developments closely in order to respond in a timely manner.

Risks from the ITC segment

The Voice Retail business line is exposed to the risk of another downturn in demand of a technical nature and due to changes in the market, as well as against the backdrop of evolving regulatory framework conditions. The impact of these risks is mitigated by several factors: On the one hand, the agreement of the telecommunication association with Telekom Deutschland GmbH has secured the validity of the business model through to 31 December 2024. On the other, 3U is consistently aligning itself in the telecommunications business to profitable products in the business customer sector (wholesale and value-added services). It also optimises the network and augments the business line by adding new customer-centric products, in particular the range on offer under Managed Services. Here the risks arise more from general customer and supplier relationships (B2B) than from the regulatory environment. In this context, potential disruption to the network services offered is a major risk. This is countered through expanding and ensuring the redundancy of the network infrastructure, along with the associated processes. The standards achieved so far always constitute only the next step in an evolving technical and security-relevant environment, however.

Protecting data and facilities against unauthorised access is a permanent challenge. With the aim of improving security in the network, the technical monitoring equipment (active monitoring and blocking systems) are optimised on a running basis, and employees build concertedly on their qualifications through regular training.

Risks from the Renewable Energies segment

In addition to the general risks in the Group, this segment in particular entails legal and regulatory risks as well as potential risks in dealings with suppliers and customers. Due to the moratorium in Brandenburg having been lifted in the financial year 2023, and with reactivated project developments still at an early stage, risk analysis in the Renewable Energies segment is currently focused on the technical availability of the wind farms in the portfolio. The Management Board and senior management have taken the precautionary measures to ensure that the parts necessary for maintenance and repair are available at short notice so that downtime can be kept to an absolute minimum. The delivery times for procuring systems and components have been generously calculated. If, due to external factors of influence, considerable delays occur, revenue and income may be lower than budgeted.

As described, the forecast for the segment in the financial year 2024 is partly based on assumptions made by the Management Board that are based on expertise in the industry, market observation and on maintaining contact with customers. If the electricity prices achievable over the course of the year diverge substantially from the figures underpinning the forecast, revenues and the result of the Renewable Energies segment may also deviate considerably from expectations.

Risks from the SHAC segment

The risks in the SHAC segment lie in the challenging requirements of Internet-focused B2C customers. Skilled employees who have in-depth knowledge of the products and the markets and are familiar with the processes and supply chains make a decisive contribution to the success of this segment. The risks to delivery capacity and supply are minimised by a qualified selection of suitable suppliers and logistics specialists. The improvements associated with relocating to the new logistics centre in Koblenz have discernibly reduced the risks in this segment.

New products are only approved for very transparent online trading after intensive market analyses and competitor surveys, without entering into any additional risks due to high stock levels or dependence on producers. The payment methods established in online markets and preferred by customers are offered on a broad scale. These largely low-risk payment methods, such as credit cards, prepayment, PayPal and instant transfers, reduce the risk of default and customer disputes to a minimum, while ensuring that internal work processes are kept lean and simple.

The market environment is characterised by fierce competition. 3U is also increasingly seeing the use of unfair practices on the part of individual competitors. Dumping prices in particular can contribute to throwing the entire price level out of kilter, which may result in lower earnings in the SHAC segment. 3U counteracts this risk through screening the market intensively, continuously optimising its procurement and its own price structures.

Financial risks

As a company operating in the market, the 3U Group is exposed to various risks. Consequently, one of management's core objectives is to manage and reduce financial risks with a view to facilitating reliable planning.

In the event that the planned results are not achieved, significant risks affect the capital resources and funding power, as a lower level of capitalisation may restrict the company's ability to act, in particular regarding acquisitions and concluding follow-up or fresh financing.

Another important financial risk is inherent in the concentration of revenue on one or a few key customers (risk clusters). This risk correlates with default risk, which is defined as the risk of a contractual partner in a financial transaction not being able to meet its obligations, thereby exposing the 3U Group to financial loss. If the 3U Group conducts business abroad, the associated currency risks are subjected to a more intensive assessment and analysis and transactions are hedged if financially expedient. In addition, the share price, procurement, liquidity, along with market and interest rate changes, also feature among the significant areas in which financial risks may arise.

The possible occurrence of these potential risks is countered by groupwide receivables and liquidity management, which ensures that sufficient liquidity is available for operations at all times. Receivables management is complemented by secure payment methods such as PayPal and credit card payments, as well as by consistent down payment requests. All other cases, the 3U Group avails itself of debt collectors and the existing legal options. Instances of default are also covered in some areas by credit default insurance.

The 3U Group uses derivative financial instruments only for the purpose of hedging underlying transactions. Before derivative financial instruments are deployed, meticulous risk analyses and assessments are carried out in order to minimise the potential risk through adequate measures.

Risks from the current interest rate trend

3U HOLDING AG's attitude towards the significant rise in interest rates is ambivalent. On the one hand, it is affected in that it has invested its cash exclusively in demand deposits and fixed-interest, short-term investments, which may – at present and in the future – generate profitable interest income. At the same time, 3U HOLDING AG finances projects and capital expenditure to different degrees and with various terms through borrowing with loans for which higher interest is due and payable than in earlier periods. Following meticulous analysis, planning for the financial year 2024 includes reliable expectations of the interest rate level that are partly secured through existing loan agreements.

IT security risks from cyber attacks

The failure or significant impairment of business-critical IT systems and the supporting technical infrastructure caused by cyber attacks or other threats could significantly hamper the smooth functioning of the company's business processes and lead to manipulations or the uncontrolled loss or outflow of data. Such scenarios could result in damage to the company's reputation, regulatory sanctions or major interruptions to business processes. New responsibilities within the organisation were established to counteract IT security risks. An IT company security consulting company has been mandated with conducting a penetration test with a view to assessing and analysing the current security status. Medium risk relating to web technologies, along with the network and server infrastructures, was identified. As a result, backup and recovery strategies for all business-critical IT systems were reviewed and optimised, with improvements to the backup strategy and off-line backup functions being implemented. Critical and less critical systems were moved to multi-layer redundant systems in order to improve the infrastructure and hosting strategy. Furthermore, a central user management with two-factor authentication and conditional access was introduced in order to safeguard privileged access. A 24/7 system monitoring was set up for the purpose of monitoring security, enabling a swift response to threats, while triggering downstream collaboration with an external incident response team.

Management's assessment of the overall risk situation

The significant risks described here could potentially cause substantial harm to the net assets, financial position and results of operations of the 3U Group and of 3U HOLDING AG, both now and in the future. Our key challenges include in particular the regulatory framework conditions and fierce competition. The changes in the development of risk across all segments have required the Management Board to take measures. The combination of the diverse risk management systems, ICS, compliance, controlling, planning processes and regular reporting enables potential risks to be identified and managed as an early stage. At the present point in time, the Management Board does not consider there to be any risks that could impair development or that pose a going concern threat. The possibility of risks arising in the future which could deviate from the expectations and significantly impair the development of the 3U Group and of 3U HOLDING AG cannot, however, be ruled out.

Internal control system and risk management system applied to the accounting process

The accounting process is conducted centrally by the 3U HOLDING AG's Finance Department for Group companies. Accordingly, all companies are subject to a standard process and risk assessment under the accounting process.

The ICS, implemented internally and pertaining to the accounting process, is designed to guarantee compliance with rules and regulations and the law through suitable principles, procedures and measures, all of which ensure regularity, reliability and completeness in accounting and in financial reporting, taking account of possible risks. Operating instructions, along with functional descriptions and guidelines which are regularly revised and updated as required, form the basis for ensuring compliance here. This encompasses accounting policies, for instance, as well as accounting instructions and support by external consultants. The accounting process is analysed, optimised and documented accordingly.

The ICS consists of internal management and control, along with monitoring functions, which are either integrated into processes or conducted independently of these processes. The segregation of administration and approval functions through allocation to different employees are examples of integration, as well as clear responsibilities in the context of regular checks (principle of dual control). The verification routines carried out in the past have been replaced by IT-supported processes in some areas. The Supervisory Board is continuously kept up to date on optimisations to the systems. The control mechanisms deployed function partly by way of automation in the accounting software systems in order not to impede the efficiency of workflows. The IT systems are also protected against unauthorised access by a permissions concept. Moreover, the statutory auditor also reviews the ICS and the IT systems in the context of conducting the annual audit at company and at Group level.

New legal provisions and changes to existing provisions with regard to accounting, and the associated risks, are directly investigated in terms of their impact on the 3U Group in order to initiate appropriate measures, if necessary. The dovetailing of the systems and controls deployed are optimised on a running basis in a continuous improvement process.

The functions in all areas of the accounting process are categorised and documented. The implemented risk management system which is developed on a running basis with the components of compliance and ICS is nevertheless unable to fully guarantee the security and correctness of accounting, for instance caused by human error, faulty controls or criminal activity by insiders.

Forecast report

Economic outlook

The economic environment is set to remain challenging in 2024, with global economic weakness likely to persist as the central banks' aggressive key rate hikes will continue to exert a long-lasting impact on the current year as well. Against the backdrop of the eurozone's robust labour markets which serve to notably ease the pressure on consumer propensity, economic institutes are nevertheless counting on a soft landing for the economy. The escalating conflict in the Middle East, the war in Ukraine and quite possibly the smoldering Taiwan conflict remain huge imponderables in the new year. The US elections are likely to cast their shadow at an early stage on the new year The potential re-election of Donald Trump in particular is likely to galvanise the markets. Ultimately, there are concerns that Trump will strongly advocate protectionism again and possibly even more forcibly than before, with greater damage to the global economy. In response to the Gaza-Israel conflict the Huthi rebels in Yemen have been attacking ships passing through the Red Sea. Some shipping companies are therefore already avoiding that route. Should current events escalate, this would lead to temporary supply chain problems, which would make important commodities more expensive. The ongoing fragile state of the global economy factor is a factor most particularly hampering regions which depend on exports, such as Europe.

Growth in the eurozone's gross domestic product (GDP) is likely to have contracted to around 0.5 % in 2023 compared with 2022 when growth still posted 3.5 %. Economic development was especially weak in Germany which, having recorded a decline of 0.3 % for the full year 2023 in real (price adjusted) GDP, even slipped into recession. With a growth rate of 0.8 % anticipated for the eurozone in 2024, growth is likely to pick up while nevertheless remaining rather more fragile. Given the sustained challenges from uncertainty about how energy prices will develop and geopolitical hot spots, a cautiously positive outlook is nevertheless associated with a number of downside risks. Spain and France, precisely the countries with weaker economies in recent years, are likely to become Europe's economic growth engines. Over the past year, the European Central Bank (ECB) combated inflation by a slew of substantial key rate hikes. Success has been achieved in the form of a tangible decline in inflation rates. In 2024, inflation in the euro area is currently predicted to fall further to an average 2.7 % (average for 2023: 5.4 %). Price rises are generally expected to ease, above all in view of the recent substantial decline in energy commodity prices.

Higher prices for gas were generally reflected in the electricity price as the market price on the electricity exchanges is determined by the marginal costs of the technology required to cover residual demand. As this often concerns gas-fired plants, electricity prices also increased on the back of the higher costs of using gas to a level which exceeded the previous years, but then subsequently declined significantly as the year progressed. The development of the electricity price in general, and also that of renewable energies in particular, is subject to significantly greater fluctuation than in previous years. Forecasting the electricity price trend in 2024 is therefore problematic. Higher energy prices burden costs at 3U, as opposed to power sourced from renewable energies which positively impacts revenues. Furthermore, against the backdrop of the higher carbon pricing and the German Government's determining new areas of focus, the Management Board anticipates growing demand from owner-builders and DIYers for cost-effective and environmentally compatible heating and climate technologies.

Generally speaking, most economies will continue to prioritise lowering inflation sustainably in the direction of the target figures. Germany's economic institutes assume that inflation will continue to fall in 2025, then averaging 2 %, which will bring the inflation rate slowly in line with the European Central Bank's target.

High inflation rates, compounded by economic and political uncertainty on a global scale, are also hindering the investment decisions of companies. Gross capital expenditure is expected to drop by 0.2 % in 2024. Construction investment is set to fall by 2.3 % according to the Council of Economic Experts. Along with the sharp increase in construction costs, unfavourable financing conditions and material shortages, the lack of skilled labour poses a constraint. Conversely, the trend towards do-it-yourself building may accelerate.

In many sectors, labour is in high demand despite the economic slowdown, and the lack of skilled workers continues to present many companies with their most pressing problem. According to a survey conducted by the German Institute for Employment Research (IAB), companies reported around 1.76 million open positions in autumn 2023. A countertrend emanates from the recovery on the labour market over the past year.

The World Economic Outlook puts global economic growth at 3.1 % in 2024. Lower growth of 1.5 % is expected for the industrial nations, with the economic expansion of the emerging countries averaging 4.1 %. A development similar to 2023 is therefore expected for the global economy. In 2024, the German government anticipates an increase in price-adjusted GDP of 0.2 % in accordance with its annual economic report 2023. In contrast to other market observers, it does not view a significant recession as unavoidable. In its outlook, published in January 2024, the IMF assumes moderate real economic growth of +0.9 % for Germany in 2024. In 2025, growth is expected to accelerate to 1.5 %.

Strategic direction

The Management Board considers the prerequisites for 3U HOLDING AG to continue its successful development as good, also in this environment. Through its work to build up new, successful service offerings in recent years, 3U has promising business models today. The Group places emphasis on safeguarding sustainable operational profitability in the individual segments, along with enhancing the value of assets in its portfolio, both current and to be newly acquired.

Given the developments in the financial year 2023, the Management Board considers that 3U's segments are well positioned and equipped for continuing their strategic growth and fulfilling the 2024 forecast. Management in the customer-centric segments of ITC and SHAC ensure that the range of products and services on offer are best aligned with market demand. Customer feedback is obtained for the purpose of optimising sales, pricing and product-policy-related measures, and subsequent suggestions are then implemented without delay.

Enhancing efficiency and improving margins continue to be a central task incumbent on management at all levels. Optimisation potential is identified and rigorously leveraged. The starting position described and the projects initiated underpin the confidence of 3U HOLDING AG's Management Board that the following defined goals can be achieved – depending on and taking account of the economic environment.

All activities are aimed at sustainably raising the value of the 3U Group for its shareholders, as well as for the employees and other stakeholders. The success of these endeavours may be mirrored in the positive price performance of the 3U share.

Following the successful integration of the cs companies acquired in 2024 into the ITC segment, the Group will be able to report further revenue growth and greater earnings power. With its own next generation network and innovative managed service offerings, the company has an excellent basis through its ability to perform and strong customer orientation for winning market shares on the partly fiercely contested markets and for achieving further profitable growth. Foreseeable declines in the Voice Retail business will be more than compensated by improved data centre capacity utilization, by winning new customers in the other areas of telephony, and by adding to the range of IT services for external customers. A strategic focus in the ITC segment is therefore placed on the successful development and ongoing expansion of the services provided under Managed Services.

Our strategy in the Renewable Energies segment remains unchanged in 2024 and is based on the smooth and uninterrupted operation of the company's own wind turbines and solar plants, the repowering (upgrading) of the existing facilities in stages and in further project development. After the approval for the repowering project in the Langendorf Wind Park was granted in March 2024, the Group can now promptly begin with the implementation and financing of the project. 3U has already acquired the land for the new transformer substation and placed the first orders for the first facilities. At the present point in time, 15 wind turbines with a nominal output of 1.5 MW per turbine are operated in Langendorf. The application provides for the replacement of seven of these turbines by five new wind turbines, each with a nominal output of 6.2 MW. Once the project has been implemented, the wind farm's output could be raised from 22.5 MW to 43 MW. Depending on the type of construction, the new turbines will generate approximately double the volume of electricity compared with the existing turbines. After repowering, the power producing capacity of the Langendorf Wind Farm would therefore be raised from an average of currently around 32 GWh to around 100 GWh. The eight remaining old turbines will continue to be operated during the construction phase and also thereafter. 3U has budgeted a financing volume of around EUR 40 million for implementing the project. The viability of comparable measures in the other wind parks is being investigated. In anticipation of the necessary application and approval procedures for a possible repowering of the Klostermoor Wind Farm, 3U has conducted positive initial discussions upfront with the local authorities and has already renewed the lease agreements with the respective landowners. With the planned replacement of the six existing wind turbines by three state-of-the-art wind turbines, the wind farm's installed capacity could then be raised by a factor of 3.5, from currently 6 MW to 21 MW.

Brandenburg local government has rescinded the moratorium, which has already resulted accelerating the designation of suitable areas for harnessing wind energy. In this context, regional planning for the areas where 3U intended, also in previous years, to develop wind farm projects is also being revised. At the present point in time, the Group has already selectively secured usage rights and assesses the various projects in Brandenburg as very promising. In the current year, 3U will be creating additional internal capacities with a view to viably prioritising project development and then proceeding step by step.

Along with technical availability and electricity prices, revenue and earnings from existing wind farms essentially depend on the weather conditions. Deviations from the long-term average are normal in this context, but impossible to predict. Planning for the financial year 2024 is based on the assumption of average wind yield and solar irradiation, with the feed-in tariff for the Adelebsen Solar Park already fixed, which provides a sound basis for calculations. By contrast, in the case of the three wind farms of Langendorf, Klostermoor and Roge where power is sold at the current monthly market values in 2024, assumptions for the development of selling prices for the electricity generated have been included in planning.

Against the backdrop of electricity wholesale prices trending down, we anticipate a decline in revenue, EBITDA and the segment result in 2024. After building activities have commenced in Langendorf, investments in the new facilities, and write-downs on the residual value of the obsolete facilities will also have an impact.

Business in the SHAC segment is at the beginning of 2024 still constrained by the difficult economic environment in e-commerce and lacklustre construction activities, albeit to a lesser extent than in 2023. Given the trend in the financial year now ended, together with the catchup effects anticipated and the measures approved to promote environmentally compatible heating technology, the Group anticipates a recovery in demand and a higher volume of sales in 2024. In this instance, 3U is set to benefit from launching the ThermCube in 2023. Moreover, the range of products for business customers, tradespeople, self-builders and renovators on offer at www.pelia.de and www.selfio.de will be continually expanded to include innovative home technology. Supplementing the advisory services and forging ahead with the successful marketing activities will also contribute to boosting demand. These measures, flanked by needs-based procurement, market-driven conditions, and high delivery capability are key success factors for achieving the organic revenue growth envisaged in the SHAC e-commerce business.

The distribution centre located in Koblenz has been designed and prepared to accommodate further growth, both in terms of the available space and regarding organisation. The distribution centre makes a makes major contribution to optimising the supply chain, and together with establishing new processes, has already resulted in the first cost savings. Our proven supplier relationships, economies of scale and the proportion of our own brands in the product portfolio which is on the rise also contribute to strengthening our profitability in the SHAC segment despite great competitive pressure. To this end, the product and sales channel mix is optimised on an ongoing basis. Significantly higher revenue, improved EBITDA (though still in negative territory) and a result net of minority interest around the year-earlier level has been planned overall for the SHAC segment.

Organic growth is to be supplemented by strategic company acquisitions. This approach would serve to significantly expand the respective group of customers and business partners, along with the range of products and services on offer. The Management Board will actively seize such acquisition opportunities if they are financially advantageous. With a view to financing accelerated growth, the option of possible an IPO is also being scrutinised.

Outlook for 3U HOLDING AG

The Management Board anticipates that sales revenue of around EUR 2.0 million can be achieved in 2024.

The result of 3U HOLDING AG as the operating management and investment holding company is determined by administrative costs and the financial result as well as by other operating income. The Management Board has factored in inflation-induced marginal adjustments in the domain of legal counselling, expenses for rent, maintenance and personnel, with the result that the holding's administration costs in 2024 will be slightly higher year on year.

No extraordinary income, for instance from the disposal of assets, has been incorporated into planning for the financial year 2024. EBITDA is therefore expected in between EUR –3.0 million and EUR –4.0 million.

Along with the interest expenses incurred, the financial result depends to a great extent on income from dividend distribution and from profit transfer agreements or expenses from the assumption of loss. The carrying amounts of participating investments and valuation allowances on loans granted to subsidiaries may influence the 2024 annual result. In view of the lower cash and cash equivalents, in conjunction with stagnating to marginally declining interest rates as the year progresses, this should result in a significant decline in the holding company's financial results.

Consequently, the Management Board anticipates a result for 3U HOLDING AG in a range of between EUR 0.0 million and EUR –1.0 million in the current year.

Guidance for the 3U Group

The Management Board assumes that business will continue to develop well in 2024 in the Information and Telecommunications Technology segment and that the Renewable Energies segment's electricity revenue will enter a slight downtrend. Given that conditions in the construction sector's environment are only likely to improve in the second half of the year, the Group anticipates that growth in the Sanitary, Heating and Air Conditioning segment will materialise only later in the year. Accordingly, 3U expects overall revenue for 2024 to settle in a range of between EUR 58 million to EUR 62 million, which would correspond to a year-on-year increase of around 10 % and 18 % respectively. Owing to higher sales and administration costs, the EBITDA margin is likely to post around 7 % to 8 %, which corresponds to EBITDA of around EUR 3 million to EUR 5 million. Against the backdrop of higher depreciation and amortisation, and especially for the decommissioned facilities as a result of the repowering activities in the Langendorf Wind Farm and the lower financial result, the consolidated result is expected between EUR 0.0 million and EUR –1.0 million.

The actual operating result may be higher or lower than forecast here due to the acquisition or sale of the Group's operating units. The resulting effects can only be planned for to limited extent, however. The 3U Group remains true to its corporate purpose of creating value in the interest of its shareholders and all stakeholders and will continue to pursue its strategic course of expanding successful parts of the business in the long sterm and, given the relevant demand, of selling them at attractive conditions.

In harmony with the corporate strategy, the Management Board is addressing a series of investment undertakings. Along with purchasing companies or customer bases in the financial year 2024 this pertains notably to repowering the Langendorf wind farm. Options for further, very promising investments are meticulously assessed on a running basis.

At the same time, however, the 3U Group's business activities are subject to a number of risks, which, if they were to occur, could lead to the forecast not being achieved. There are, however, also opportunities which, if they are seized successfully, could lead to the forecast being outperformed.

Remuneration report

In the following remuneration report drawn up pursuant to Section 162 of the German Stock Corporation Act (AktG), the principles applied to determining remuneration for 3U HOLDING AG's Management Board and its Supervisory Board are summarised, along with the information on and explanation of the remuneration of members of 3U HOLDING AG's Management Board and its Supervisory Board in the financial year 2023.

Remuneration system of the Management Board

Resolution on the approval of the remuneration system for members of the Management Board

The system applicable to the remuneration of members of 3U HOLDING AG's Management Board was approved on 26 March 2021 by the Supervisory Board – drawing on the assistance of expert external support – in accordance with Sections 87 (1), 87a (1) German Stock Corporation Act (AktG), and by the Annual General Meeting on 20 May 2021 with a majority of 77.93 % of the capital represented ("Remuneration System 2021").

The remuneration system complies with the provisions of the German Stock Corporation Act, in particular with the requirements set out under the second Shareholders' Rights Guideline (ARUG II), and is based on the recommendations of the German Corporate Governance Code (DCGK) in the version dated 20 March 2020. It has replaced the formerly valid 2010 remuneration system.

The remuneration of members of 3U HOLDING AG's Management Board is subject to ongoing review by the Supervisory Board, particularly in the context of negotiations on employment contracts with existing or future members of the Management Board. A formal review held on regular days of the calendar does not take place, however.

Term of Management Board contracts of employment and application of the remuneration system in the financial year 2023

The Management Board contract of employment signed with Uwe Knoke who was appointed to the Board effective 1 November 2021 has a term until 31 July 2024. The contracts of employment for Management Board members Andreas Odenbreit and Christoph Hellrung have a term of five years and will end, as scheduled, on 31 December 2026. In the financial year 2023, all members of the Management Board were remunerated for the term of their office serving on 3U HOLDING AG's Management Board in accordance with the 2021 remuneration system.

Since that date, the Management Board acts as a collegial body without a Chair or Management Board Spokesperson.

2021 Remuneration System

A. Introduction and background

The remuneration of Management Board members is aligned to the entrepreneurial development of 3U HOLDING AG. In this context, the Management Board remuneration system follows the standards of the German law on stock corporations and the recommendations of the German Corporate Governance Code (GCGC), with the of offering members of the Management Board a competitive remuneration package which is customary in the market.

Insofar as the remuneration system diverges from GCGC recommendations in some instances, this is addressed and substantiated in the Declaration of Conformity pursuant to Section 161 AktG.

The remuneration of the Management Board is determined in consideration of the size, the complexity and the financial position of the company, along with its development opportunities. Remuneration is to adequately reflect the portfolio of responsibilities and the performance of the Management Board. Furthermore, Management Board remuneration under this system serves to harmonise the interests of the Management Board, the employees and the shareholders and is designed to sustainably promote the company's productivity.

With a view to realising the aforementioned principles, the remuneration system comprises non-performance related ("fixed") and performance-related ("variable") components.

Fixed remuneration (hereinafter also "basic annual salary" or "fixed annual salary") and benefits in kind represent the non-performance-related components, with benefits also in the form of company cars, contributions to pensions, medical and long-term care and unemployment insurance, D&O insurances and accident insurances.

The performance-related components consist of one-year variable remuneration (Short Term Incentive Plan – STI) and a multi-year remuneration component (Long Term Incentive Plan– LTI). Part of performance-related remuneration provides for the possibility of determining individual financial and non-financial target components for members of the Management Board. In accordance with the statutory requirements, the remuneration system places a cap on maximum remuneration.

B. The remuneration system in detail

I. Maximum remuneration (Section 87a (1) s. 2 item 1 AktG)

The total remuneration to be granted to the Management Board (sum total of all remuneration amounts disbursed by the company for all serving Management Board members in the financial year, including fixed remuneration, variable remuneration components and fringe benefits) is to be capped at an absolute maximum amount ("maximum remuneration") regardless of the financial year in which a component of remuneration is paid.

Remuneration for a financial year is capped at kEUR 350 (maximum) for an individual regular Management Board member.

In addition, agreements have been concluded on a one-off bonus payment ("special bonus") to the members of the Management Board in the event that a subsidiary of 3U HOLDING AG is floated (organised capital market) and admitted to trading on the stock exchange ("successful initial public offering [IPO])"). This concerns the subsidiary Selfio GmbH, Bad Honnef. Exclusively in the case of a special bonus being paid under the aforementioned circumstances, maximum remuneration is increased as follows:

- In the event of a successful listing of Selfio GmbH, the special bonus has been set at kEUR 250 if the subsidiary's market capitalisation upon flotation (closing price on the first day of trading) amounts to between EUR 100 million and EUR 200 million, and at kEUR 500 if market capitalisation exceeds EUR 200 million. If market capitalisation is below EUR 100 million, no special bonus is owed.
- In the event of a successful IPO of Selfio GmbH and the associated special bonus, the maximum remuneration is capped at kEUR 850 for each member of the Management Board.

The special bonus will be granted accordingly if Selfio GmbH is brought to the stock exchange indirectly by way of a corporate transaction. In the event of listing by way of a corporate transaction in which not all participating companies are subsidiaries of 3U HOLDING AG, the market capitalisation achieved at initial listing (closing price on the first day of trading) is to be calculated proportionately in relation to the share of the participating investment in Selfio GmbH; this is then taken as a basis for calculating the special bonus to be paid.

II. Contribution of remuneration to promoting the business strategy and the long-term development of the company (Section 87a (1) s. 2 item 2 German Stock Corporation Act (AktG))

The remuneration system supports the strategy of 3U HOLDING AG and the Group under its management (collectively the "3U Group").

Payments from the Short Term Incentive Plan ("STI") presuppose the achieving of quantitative and qualitative targets. This provides an incentive regarding specific goals which are material for the company's operational and/or strategic development.

In addition, virtual shares in the company are granted as a long-term share-based variable remuneration ("LTI"). With a view to a four-year performance period, this remuneration component promotes the strategic goal of sustainably raising the company's value, also in the interest of its shareholders.

All in all, the remuneration system provides the framework for an adequate remuneration of the Management Board members, allowing for seasoned managers to be found and for ensuring their long-term loyalty to 3U HOLDING AG.

III. Remuneration components and performance criteria for variable remuneration components (Section 87a (1) s. 2 item 3 and 4 AktG)

1. Overview of the remuneration components and their relative share in overall remuneration

The remuneration of the Management Board members is made up of fixed and variable components. The fixed components of the Management Board members' remuneration consist of a fixed annual salary and various fringe benefits.

Variable remuneration is essentially provided in the form of remuneration geared to short-term annual targets ("STI") and long-term oriented variable remuneration ("LTI").

The essential components of remuneration are provided for as follows:

Fixed remuneration components

- Fixed annual salary: kEUR 200 per Management Board member / basic salary (payment in twelve monthly instalments)
- Fringe benefits (as described under Section 2.2)

Variable remuneration components

- STI: kEUR 45 per Management Board member
(based on 100 % achievement of the individually agreed quantitative and qualitative targets)

- LTI: kEUR 55 in virtual shares per Management Board member

The following section elaborates on the proportion of the individual remuneration components in the probable annual total remuneration ("total remuneration") based on the respective, anticipated annual amounts.

The proportion of fixed remuneration components (annual salary, fringe benefits) in overall remuneration amounts to around 71 % for members of the Management Board, with fringe benefits accounting for approximately 14 % (maximum) of the overall remuneration.

The share of STI in overall remuneration lies in a range of between 0 % to around 13 % and of the LTI between 0 % and around 16 %.

The aforementioned minimum amount of 0 % applicable to variable remuneration components takes account of the fact that, if the performance criteria for the STI are not met, and depending on the stock price development of the company's share definitive for the LTI, along with achieving targets in the "sustainability" and "budget adherence" categories, variable remuneration may also not be paid at all.

2. Fixed remuneration components

2.1. Fixed basic salary

Members of the Management Board receive a fixed annual salary paid out in twelve monthly instalments.

2.2. Fringe benefits

In addition, members of the Management Board are granted contractually defined fringe benefits. These fringe benefits include in particular benefits in kind, such as a company car, contributions to pensions, medical and long-term care and unemployment insurance, D&O insurance, accident insurance and reimbursement of expenses.

The company cars and mobile telephones which the company makes available to the Management Board members can also be used for private purposes. The contributions for the members of the Management Board are granted for pension schemes, for medical and long-term care insurance at 50 % of the amounts paid by the respective Management Board member, capped at the amount of the employer's contribution in consideration of the respective contribution assessment ceilings.

The Directors and Officers (D&O) liability insurance includes the deductible provided for under the law.

3. Variable remuneration components

The following elaborates on the variable remuneration components, including the aforementioned respective performance criteria and the link to the corporate strategy and to the long-term development of the company.

In addition, the methods for assessing the degree to which performance criteria have been achieved are also explained.

3.1. Short Term Incentive ("STI")

The Management Board members are granted STI which is structured as follows:

The STI consists of a quantitative target and a qualitative target. The quantitative achievement of targets in the remuneration period is assessed on the basis of adherence to budget and the operating result.

The audited figure of the 3U Group's EBIT performance in relation to the budgeted figure, approved by the Supervisory Board in the context of budget planning for the remuneration period, is decisive for achieving the "budget adherence" subtarget. The audited figure of the 3U Group's EBT performance is the determinant for achieving the "operating result".

Qualitative target attainment is assessed by the Supervisory Board based on the Management Board fulfilling prioritised tasks, as well as the personal goals set by the Supervisory Board for individual members of the Management Board.

3.2. Long Term Incentive ("LTI")

Furthermore, the members of the Management Board are granted a share-based remuneration component in the form of virtual shares in the company as a long-term incentive. The virtual shares granted to members of the Management Board entail cash settlement; there is no delivery of shares.

The granting of the virtual shares is carried out once a year for the respectively agreed term of the Management Board member employment contract and provides for a holding period of four years. The number of the virtual shares to be allocated per year is calculated based on the LTI target amount divided by the 3U share's arithmetic mean of the Xetra closing prices over the last 30 trading days prior to the beginning of the performance period. The final disbursement of the LTI is linked to three performance criteria which must be in place after the holding period expires:

- 40 % average of the annual target attainment according to EBIT budgeted during the four-year period,
- 30 % share price trend of 3U HOLDING AG benchmarked against the SDAX as the relevant peer group, and
- 30 % attainment of the agreed sustainability targets.

The disbursement amount is determined by multiplying the conditionally granted number of virtual shares by the 3U share's arithmetic mean of XETRA closing prices over the last 30 trading days prior to the end of the performance period and performance target attainment.

In addition, the Management Board members receive a dividend equivalent based on the sum total of dividend paid for each conditionally granted virtual share over the respective period.

The disbursement amount per Management Board member is capped at kEUR 55 per year, a maximum amount which includes any dividend equivalent to be paid.

The granting of virtual shares as a share-based remuneration component contributes to aligning the interests of Management Board members and shareholders more strongly and promotes the strategic goal of sustainably raising the company's value. The principal conditions concerning the granting of virtual shares, including the number and the value, are disclosed in the annual remuneration report.

IV. Periods of deferral for the disbursement of remuneration components (Section 87a (1) s. 2 item 5 German Stock Corporation Act (AktG))

The holding period of the virtual shares is four years.

V. Clawback option for the company for reclaiming variable remuneration components (Section 87a (1) s. 2 item 6 AktG)

If a Management Board member commits a gross breach of duty and/or the company terminates his contract for an important reason, the long-term variable remuneration (maximum of four years prior to the occurrence of the reason for repayment) can be reclaimed.

VI. Share-based remuneration (Section 87a (1) s. 2 item 7 AktG)

The company's virtual shares granted as LTI are to be regarded as share-based remuneration components within the meaning of Section 87a (1) s. 2 item 7 AktG. With regard to further details required, reference is made to the explanations under Section III.3.2.

VII. Remuneration-related transactions (Section 87a (1) s. 2 item 8 German Stock Corporation Act (AktG))

1. Terms and conditions for ending remuneration-related transactions, including the respective notice periods (Section 87a (1) s. 2 item 8 a) AktG)

The employment contracts of Management Board members are concluded for a fixed period and do not therefore provide for an option of regular termination.

The employment contracts of Management Board members are concluded for a term of five years – with the exception of initial appointments.

2. Severance payments (Section 87a (1) s. 2 item 8 b) AktG)

The employment contracts of Management Board members do not provide for settlement entitlements or other severance payments.

3. Pension scheme arrangements (Section 87a (1) s. 2 item 8 c) AktG)

No retirement pension is granted. As explained under Section III.2.2., only a pension contribution is made.

VIII. Considering the remuneration and employment conditions of employees when determining the remuneration system (Section 87a (1) sentence 2 item 9 German Stock Corporation Act (AktG))

The Supervisory Board regularly reviews the appropriateness of the remuneration of Management Board members. To this end, remuneration levels are compared with peer companies in the market (horizontal comparison). In this context, the Supervisory Board applies prudence in its selection of the peer group with a view to avoiding any automatic uptrend. As part of the review last conducted on the appropriateness and on customary practice, the companies in the peer group (listed holding/investment companies) were used for comparison purposes. In assessing the appropriateness in vertical terms, the remuneration of members of the Management Board is compared with that of the employees in Germany at the management tier below the Management Board as well as the total workforce of 3U HOLDING AG and its Group companies in the country. As part of this vertical comparison, Management Board remuneration in relation to that of the aforementioned employees over time is given special consideration.

IX. Procedure for the determination and implementation, as well as for reviewing the remuneration system (Section 87 a (1) s. 2 item 10 AktG)

The Supervisory Board decides on a clear and comprehensible remuneration system for members of the Management Board and submits the remuneration system to the Annual General Meeting for approval. A review of the remuneration system and of the appropriateness of Management Board remuneration is carried out regularly by the Supervisory Board at its own due discretion, and also if and when appropriate, but at least every four years. To this end, a vertical comparison of the Management Board remuneration measured against the remuneration of the senior management tier below the Management Board and the entire workforce is carried out. Moreover, the amount of the remuneration and the structure is also measured against the 3U HOLDING share price trend on the stock exchange in comparison with the SDAX price index.

The rules and regulations which apply to avoiding and handling conflicts of interest are also observed during the process of defining and implementing the remuneration system.

In the case of major amendments, at least every four years, however, the remuneration system is resubmitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the system, the Supervisory Board will submit a reviewed remuneration system to the Annual General Meeting at the next regular Annual General Meeting at the latest.

If necessary, the Supervisory Board may temporarily deviate from the remuneration system ("Procedure and regulations on the remuneration structure") and its individual components or introduce new remuneration components in the interest of the company's long-term well-being. Under the aforementioned circumstances, the Supervisory Board also has the right to grant special payments to Management Board members joining the company so as to compensate them for loss of salary from a former employment relationship. Deviations may also temporarily result in an amount which diverges from the maximum remuneration. Deviations from the remuneration system are only possible if a relevant resolution has been passed by the Supervisory Board which has ascertained the unusual circumstances and the necessity of such deviation. In the event of a deviation, the relevant components of the remuneration system directly affected are to be detailed in the remuneration report and the necessity of the deviation explained (Section 162 (1) s. 2 item 5 AktG).

Report on the remuneration of members of the Management Board in the financial year 2023

Disclosure of all remuneration components granted and owed, as well as their respective relative share

Remuneration of the members of the Management Board	Michael Schmidt Spokesman of the Management Board (until 25/05/2022)				Andreas Odenbreit Management Board			
	2023 kEUR	2023 %	2022 kEUR	2022 %	2023 kEUR	2023 %	2022 kEUR	2022 %
Fixed remuneration	0	0.0	120	22.3	200	66.4	200	15.3
Taxable non-cash benefits and other fringe benefits	452*	100.0	14	2.6	17	168.8	508*	38.8
Total fixed renumeration and fringe benefits	**452**	**100.0**	**134**	**24.9**	**217**	**72.1**	**708**	**54.1**
One-year variable remuneration	0	0.0	125	23.2	29	9.6	45	3.4
Performance-based remuneration weclapp	0	0.0	280	51.9	0	0.0	500	38.2
Multi-year variable remuneration								
LTI 2023	0	0.0	0	0.0	55	18.3	0	0.0
LTI 2022	0	0.0	0	0.0	0	0.0	55	4.2
Total variable remuneration	**0**	**0.0**	**405**	**75.1**	**84**	**27.9**	**600**	**45.9**
Pension allowances	0	0.0	0	0.0	0	0.0	0	0.0
Total remuneration	**452**	**100.0**	**539**	**100.0**	**301**	**100.0**	**1,308**	**100.0**

*Includes the monetary benefit from the exercise of stock options for Michael Schmidt TEUR 452, Andreas Odenbreit TEUR 493, Christoph Hellrung TEUR 450 and Uwe Knoke TEUR 284.
**The amount is due in the short term
***Due in the short term on 31/12/2022 in an amount of TEUR 211.
****The success fee is made according to section B. I. of the remuneration system. It was already paid in the amount of TEUR 800 in 2022.
A remaining amount of TEUR 780 is due in the short term.

	Christoph Hellrung Management Board (since 01/06/2022)				Uwe Knoke Management Board				Management Board total	
	2023 kEUR	2023 %	2022 kEUR	2022 %	2023 kEUR	2023 %	2022 kEUR	2022 %	2023 kEUR	2022 kEUR
	200	26.2	117	13.1	200	34.1	179	45.0	600	616
	479*	62.8	15	1.7	302*	51.5	19	4.8	1,250	556
	679	**89.0**	**132**	**14.8**	**502**	**85.7**	**198**	**49.7**	**1,850**	**1,172**
	29	3.8	26	2.9	29	4.9	45	11.3	87**	241***
	0	0.0	700	78.7	0	0.0	100	25.1	0	1,580****
	55	7.2	0	0.0	55	9.4	0	0.0	165	0
	0	0.0	32	3.6	0	0.0	55	13.8	0	142
	84	**11.0**	**758**	**85.2**	**84**	**14.3**	**200**	**50.3**	**252**	**1,963**
	0	0.0	0	0.0	0	0.0	0	0.0	0	0
	763	**100.0**	**890**	**100.0**	**586**	**100.0**	**398**	**100.0**	**2,102**	**3,135**

The total remuneration granted to Management Board members, including former members, stood at kEUR 2,102 in 2023 (previous year: kEUR 3,135).

The following applies to the multi-year variable remuneration: In consideration of the degree to which targets are likely to be achieved, the number of virtual shares expected to be paid out is initially calculated. In a second step, the current value per virtual share is ascertained, taking account of the 30-day share price performance on the reporting date and the accumulated dividend equivalent through to the reporting date. The expected payout at the end of the term is determined as a minimum of the applicable payout amount not capped and the maximum payout amount of kEUR 55 a year and Management Board member. The payout amount not capped corresponds to the product of the expected number of virtual shares and the actual value of each virtual share, including dividend equivalent. The amount calculated in this final step is then discounted over the remaining holding period using a congruent risk-free interest rate. The proportion of the amount from these calculations which accords with the holding period already elapsed is to be posted to the provision. Provisions of kEUR 39 were formed with regard to the virtual shares granted in the financial year 2023. The provisions established for all virtual shares meanwhile amount to kEUR 108.

Part of the performance-related remuneration in the respective financial year is paid out under the reservation that the Management Board continues to sustainably conduct the company's business in the two financial years thereafter. The multi-year variable remuneration is granted in the form of virtual shares with a holding period of four years.

The remuneration paid corresponds fully to the key features of the remuneration systems implemented. The 2021 remuneration system was applied to all Management Board employment contracts in the financial year 2023. There were no special payments or other deviations from the remuneration system applied.

Members of the Management Board do not receive any emoluments from other companies of the 3U Group. They have not received any payment commitments from third parties connected with their activities as members of 3U HOLDING AG's Management Board, nor were they granted any such payments.

The maximum remuneration was not achieved/exceeded regarding any Management Board member in 2023.

No use was made of the option of reclaiming variable remuneration components.

Commitments for the eventuality of a premature or regular termination of the Board member function were neither given to serving or former members of the Management Board

Application of the performance criteria	Target attainment of the Management Board for variable remuneration (2023, in %)	
Quantitative targets		
	Adherence to budget	0
	Operating result	100
Qualitative targets (in %)		
Andreas Odenbreit	Fulfilment of priority tasks	100
Andreas Odenbreit	Fulfilment of personal targets	100
Christoph Hellrung	Fulfilment of priority tasks	100
Christoph Hellrung	Fulfilment of personal targets	100
Uwe Knoke	Fulfilment of priority tasks	100
Uwe Knoke	Fulfilment of personal targets	100

Comparative presentation of the year-on-year change in remuneration, the earnings trend of the company, as well as the average remuneration of employees over the last three years:

Vertical comparison of Management Board remuneration (kEUR)	2023	2022	Change 2023/2022	2021	Change 2022/2021
Development of Board remuneration					
EBIT of the Group	1,639	5,091	-67.8 %	5,303	-4.0 %
EBT of the Group	3,688	5,145	-28.3 %	4,891	5.2 %
Employee remuneration					
Average remuneration of the 3U employees	54.8	55.7	-1.5 %	56.9	-2.1 %
Remuneration of the Management Board					
Michael Schmidt	0	259	–	612	-57.7 %
Andreas Odenbreit	301	315	-4.4 %	211	49.3 %
Christoph Hellrung	313	190	64.7 %	262	-27.5 %
Uwe Knoke	302	298	1.3 %	44	577.3 %

The Group of 3U HOLDING AG has a flat management structure. In the group of employees which form the basis for the calculation of average figures and their average remuneration, the following are therefore included: senior executives and the members of the management boards of subsidiaries, all managerial and other employees, including temporary and part-time staff. This corresponds to the description in the section entitled "Employees" of the combined management report.

2018 Share Option Plan

By way of the resolutions passed on 25 May 2016 and 3 May 2018, the Annual General Meeting created conditional capital of up to EUR 3,531,401.00 for the purpose of issuing share options to members of the Management Board, executives and employees within the framework of a share option plan and authorised the Management Board accordingly. On 6 December 2018, the Management Board, with the approval of the Supervisory Board, made use of this authorisation and established 2018 Share Option Plan.

The share options can be exercised after expiry of the blocking (vesting) period, for the first time as from December 2022. 3U HOLDING AG is entitled to refuse the exercise of option rights to the extent that their exercise would lead to a disproportionately high remuneration of the beneficiary due to extraordinary, unforeseen developments.

In the financial year 2023, Christoph Hellrung and Uwe Knoke exercised the share options allocated to them in full in an amount of 166,666 units and 100,000 respectively. Andreas Odenbreit had already fully exercised the options allocated to him back in December 2022. As of 31 December 2023, the Management Board members of 3U HOLDING AG no longer had any share options allocated to them.

Reference is made to Note 8.3 in the Notes to the consolidated financial statements for further information on shareholdings by members of the Management Board and the Supervisory Board. For components with a long-term incentive effect, please refer to the section on "Specific information on share option schemes".

Remuneration received by the members of the Supervisory Board

The remuneration system of the Supervisory Board is defined in Article 9 of the company's Articles of Association. An amendment to the existing remuneration system set up for the Supervisory Board was submitted to the Annual General Meeting of 15 May 2023 for resolution. The resulting amendment to the Articles of Association was approved by a voting majority of 96.22 %.

The remuneration and employment conditions of the employees were not included in determining the remuneration system for the Supervisory Board

As a result, total remuneration is capped at kEUR 50.0 for the Chairman, kEUR 37.5 for the Vice Chairman, and kEUR 25.0 for the other members of the Supervisory Board. Given that the Chairman of the Supervisory Board receives double and the Vice Chairman one and a half times the basic remuneration of kEUR 5.0 a year, the proportion of the fixed remuneration components in the maximum remuneration amounts to 20 % for each Supervisory Board member. The proportion of variable remuneration components actually paid depends on the degree to which the performance criteria set are attained and may therefore vary from year to year, while, however, not exceeding a share of 80 % in the maximum remuneration.

The remuneration system provides for bonuses that pertain directly to the company's purpose of generating sustainable value.

In addition, each Supervisory Board member receives a bonus of average figures kEUR 1.0 per EUR 0.01 dividend distributed to the shareholders in excess of EUR 0.05 per share for the past financial year, as well as an annual remuneration based on the long-term success of the company in an amount of kEUR 1.0 per kEUR 100.0 in earnings before taxes (EBT) exceeding the EBT in the consolidated financial statements for the three preceding years.

Determining the dividend will be made by way of resolution by the Annual General Meeting based on the proposal of the Management Board and the Supervisory Board. Calculating the earnings trend draws on data in the adopted consolidated financial statements.

In addition, irrespective of the maximum remuneration, each member of the Supervisory Board receives an attendance fee of kEUR 2.5 for each Supervisory Board or committee meeting in which they participate. Attendance fees are only paid for meetings in which the Supervisory Board member actually participates.

While these remuneration components reward the continuous supervision of the Management Board and the development of business, the decisive and exceptional increase in the company's value generated by the critical and constructive support provided by the Supervisory Board have so far not been reflected in the remuneration of regular service which is capped respectively. In this respect, the Supervisory Board set ambitious, long-term goals for the Management Board with regard to the possible market valuation of subsidiaries and embedded the reward for achieving these goals by way of special bonuses in the remuneration system.

The effort involved in implementing these goals, also for the Supervisory Board, considerably exceeds the norm. The granting of a special bonus, as detailed in Article 9 of the Articles of Association, serves to proportionately reward the performance. The provision on the maximum remuneration pursuant to the Articles of Association is not applicable to the payment of a special bonus.

As a result, the Supervisory Board members will receive a one-off special bonus ("special bonus") in the event that companies engaged in e-commerce affiliated with the company within the scope of the Group, specifically Selfio GmbH (e-commerce companies grouped together as "Selfio"), are brought to the stock exchange (organised capital market) and admitted for trading ("successful IPO"). In the event of a successful IPO, the special bonus amounts to kEUR 100 if Selfio's market capitalisation upon flotation (closing price on the first day of trading) lies between EUR 100 million and EUR 200 million and kEUR 200 if Selfio's market capitalisation upon flotation exceeds EUR 200 million. If market capitalisation drops below EUR 100 million, the respective special bonus is not due and payable. The respective special bonus is granted accordingly if the Group company in question is brought to the stock exchange indirectly by way of a corporate transaction. In the event of listing by way of a corporate transaction in which not all participating companies are affiliated with the company in terms of the Group, the market capitalisation achieved at initial listing (closing price on the first day of trading) is to be calculated proportionately in relation to the share of the respective group-affiliated subsidiary/subsidiaries; this share forms the basis for calculating the special bonus to be paid.

Supervisory Board remuneration for 2023 amounted to kEUR 78 (previous year: kEUR 1,279). An amount of EUR 0 was set aside as performance-related remuneration for 2023 (previous year: kEUR 1,200).

Remuneration of the Supervisory Board* (kEUR)	Ralf Thoenes		Stefan Thies		Jürgen Beck-Bazlen (until 15/05/2023)		Michael Schmidt (since 26/05/2022)		Lennard Lange (since 15/05/2023)		Supervisory Board total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Fixed remuneration	10.0	10.0	7.5	7.5	2.1	5.0	5.0	3.0	3.3	–	27.9	26.0
Attendance fees	12.5	15.0	12.5	15.0	5.0	15.0	12.5	8.0	7.5	–	50.0	53.0
Sub-total	**22.5**	**25.0**	**20.0**	**23.0**	**7.1**	**20.0**	**17.5**	**11.0**	**10.8**	**–**	**77.9**	**79.0**
Performance-based remuneration	–	40.0	–	30.0	–	20.0	–	10.0	–	–	–	100.0
Special bonus weclapp sale	–	400.0	–	300.0	–	200.0	–	200.0	–	–	–	1,100.0
Total remuneration	**22.5**	**465.0**	**20.0**	**353.0**	**7.1**	**240.0**	**17.5**	**221.0**	**10.8**	**–**	**77.9**	**1,279.0**

*Deviations due to rounding figures in the total line and in the Total remuneration column

In addition, Supervisory Board members are reimbursed for their travel expenses and other outlays. The following reimbursements were made in the financial year 2023: Ralf Thoenes in an amount of kEUR 2.0 (previous year: kEUR 3.8), Stefan Thies in an amount of kEUR 0.3 (previous year: kEUR 0.2), Jürgen Beck-Bazlen in an amount of kEUR 0.2 (previous year: kEUR 0.1) Michael Schmidt in an amount of kEUR 0.0 (previous year: kEUR 0.0) and Lenard Lange in an amount of kEUR 0.3 (previous year: kEUR 0.0). Ralf Thones also received attendance fees and reimbursement of expenses amounting to kEUR 3.0 for his Supervisory Board activity at 3U ENERGY AG in the financial year 2023 (previous year: kEUR 3.0).

Specific information on share option schemes

By way of resolution dated 25 May 2016, the Annual General Meeting created conditional capital of up to EUR 3,531,401.00 for the issuance of share options to members of the Management Board, executives and employees as part of a share option plan and authorised the Management Board accordingly. By way of resolution dated 3 May 2018, the Annual General Meeting limited the authorisation to 24 May 2021 and confirmed the resolution in all other respects. On 6 December 2018, the Management Board, with the approval of the Supervisory Board, made use of this authorisation and established 2018 Share Option Plan.

2018 Share Option Plan

The 2018 Share Option Plan features the following key elements:

Beneficiaries are:

Group 1: Members of the company's Management Board

Group 2: The company's authorised representatives and members of the management in affiliated companies in Germany and abroad (Section 15 AktG)

Group 3: Employees of the company in key positions at the first management tier below the Management Board and other employees of the company

Group 4: Employees of German and international affiliated companies (Section 15 AktG) in key positions on the first management tier below the senior management team and other employees of German and international affiliated companies (Section 15 AktG)

The option rights under the 2018 Share Option Plan may be exercised within eight years from the date of the issue of the option after a four-year vesting period, starting with day on which the option is issued.

The option rights may not be exercised in the period between the tenth day of the last month in a quarter and the day of the subsequent announcement of the (provisional) quarterly results, 1 January of each year and the day of the subsequent announcement of the (provisional) annual results, and the tenth day of the month before the announcement of the notification convening the company's Annual General Meeting and the day of the Annual General Meeting. The option rights are not transferable.

Each option right entitles the holder to purchase one share in the company at the exercise price. The exercise price for the option rights corresponds to the average price of the closing prices of the share on the 15 trading days before the creation of the share option programme on 6 December 2018 of EUR 1.03 plus a premium of 20 % as a performance target. The exercise price is therefore EUR 1.24 per share.

The beneficiary may only sell the shares received by exercising the share options subject to the statutory restrictions.

Of the 2,771,998 share options issued under this scheme, 1,154,000 share options had expired as of the balance sheet date (31 December 2023) and 1,498,998 options – of which 983,332 in the reporting year – had been exercised. The number of allocated but not yet exercised share options under the 2018 Share Option Plan stood at 119,000 units as of 31 December 2023.

In accordance with the conditions of the Share Option Plan, no further options will be issued.

Disclosures required by takeover law

Disclosures required under takeover law pursuant to Sections 289a and 315a of the German Commercial Code (HGB)

1. Appointment and dismissal of the Management Board and amendments to the Articles of Association

The Management Board is appointed and dismissed in accordance with Sections 84, 85 of the German Stock Corporation Act (AktG). Amendments to the Articles of Association are generally based on Sections 179, 133 AktG. However, in accordance with Article 13 (2) of the Articles of Association in conjunction with Section 179 (2) sentence 2 AktG, resolutions of the Annual General Meeting are adopted by a simple majority of the votes cast, unless a different majority is required by law. If, in addition, the German Stock Corporation Act stipulates a majority of the share capital represented at the time of the resolution, the simple majority of the capital represented is sufficient, as far as legally permissible.

2. Share capital and powers of the Management Board to issue or buy back shares

As of 31 December 2023, subscribed capital amounted to EUR 36,813,014.00 divided into 36,813,014 bearer shares (31 December 2022: 35,829,682 shares). The proportionate amount of the share capital attributable to each individual share amounts to EUR 1.00. All shares grant the same rights. Each share confers one vote and is decisive for a share in the profit. The rights and obligations arising from the shares are based on the statutory provisions. In the financial year 2023, 983,332 share options under the 2018 Share Option Plan were exercised in total. For more detailed information on shareholders' equity, please refer to the notes to the consolidated financial statements.

The following direct or indirect participations in the capital which exceed 10 % of the voting rights were known to the company as of the reporting date:

As of 31 December 2023, TOMPAT Invest GmbH, Munich, held 25.09 % of the shares in the company. TOMPAT Invest GmbH is the sole property of Michael Schmidt, member of 3U HOLDING AG's Supervisory Board. In January 2024, TOMPAT Invest GmbH acquired further shares in 3U HOLDING AG.

Pursuant to Sections 202 et seq. of the German Stock Corporation Act (AktG), the Management Board is authorised, with the approval of the Supervisory Board, to raise the share capital on one or more occasions on or before 19 May 2026 by a total of up to EUR 7,062,803.00 through issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital pursuant to Article 3 (4) of the Articles of Association). With the approval of the Supervisory Board, the Management Board may exclude the subscription right of the shareholders in whole or in part in the following cases:

a. in the case of capital increases against contributions in kind for granting shares for the purpose of acquiring companies, parts of companies or interests in companies or for acquiring other assets (including third-party claims against the Company or companies affiliated with the Company) and for the purpose of issuing shares to employees of the Company and companies affiliated with the Company within the framework of the statutory provisions;

b. to the extent necessary to grant holders of warrants and convertible bonds issued by the Company or by its subsidiaries the right to subscribe to new shares as would accrue to them if they were to exercise the warrant or conversion rights or upon the option and conversion obligations being fulfilled;

c. for fractional amounts;

d. in the event of capital increases against cash contribution if the issuing price of the new shares, in terms of Sections 203 (1) and (2) and 186 (3) sentence 4 of the German Stock Corporation Act (AktG), is not significantly less than the stock market price of the shares of the same class and terms of issue already listed on the stock exchange at the time when the final issue price is determined by the Management Board and the total pro rata amount of the new shares for which subscription rights are excluded does not exceed 10 % of the existing share capital at the time when the new shares are issued.

Shares sold during the period of validity of Authorised Capital to the exclusion of shareholders' subscription rights pursuant to Sections 71 (1) item 8 sentence 5, 186 (3) sentence 4 AktG, as well as shares to which a conversion or option right or a conversion or option obligation are attached and that have been issued since this authorisation was granted to the exclusion of subscription rights pursuant to Sections 221 (4), 186 (3) sentence 4 AktG shall be counted towards the maximum limit of 10 % of the share capital. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and its execution, including the content of share rights and the conditions of the share issue.

According to Sections 192 et seq. AktG, the company's share capital is raised conditionally by up to EUR 3,531,401.00 divided into up to 3,531,401 shares (Contingent Capital pursuant to Article 3 (5) of the Articles of Association). The contingent capital increase will only be carried out to the extent that the holders of option rights issued by the company on the basis of the authorising resolution of the Annual General Meeting of 25 May 2016 and 3 May 2018 exercise their option rights over the period up until 24 May 2021. New bearer shares participate in profit as from the beginning of the financial year for which, upon exercising of the option right, no resolution of the Annual General Meeting has been passed on the appropriation of profit. The Management Board is authorised, with the approval of the Supervisory Board, to determine further details of the conditional capital increase and its implementation.

The Management Board availed itself of this authorisation with the 2018 Share Option Plan. Detailed information on the 2018 Share Option Plan can be found in the remuneration report as an integral part of this annual report. Following the end of the financial year 2023, further changes in the total number of voting rights and in share ownership by the Management Board and the Supervisory Board resulted from the exercising of options under the 2018 Share Option plan. These changes are disclosed in the notes to consolidated financial statements.

By way of resolution passed by the Annual General Meeting on 15 May 2023, the Management Board is authorised to acquire treasury shares in accordance with Section 71 (1) item 8 of the AktG. This authorisation valid until 14 May 2028. It is limited to a share of 10 % of the share capital existing at the time when the Annual General Meeting passed the resolution. Treasury shares may be acquired via the stock exchange or by way of a public buyback offer addressed to all shareholders or through a public invitation to all shareholders submit offers for sale or by issuing rights to the shareholders to tender. The company availed itself of this option in the financial year 2023. On 22 September 2023, the Management Board announced its intention of buying back up to 3,670,051 treasury shares by way of a voluntary public share buyback offer at an offer price of EUR 2.45 per share. Upon expiry of the acceptance period on 1 November 2023, a total of 3,240,665 shares had been offered to the company for repurchasing. The transaction having been completed, the Group holds around 8.80 % of the share capital in the form of treasury shares. The treasury shares held by 3U do not carry voting or dividend rights.

3. Notification pursuant to Section 19 Market Abuse Directive

According to Section 19 of the Market Abuse Directive (EU) NO. 596/2014, persons serving in management capacity at 3U HOLDING AG must notify 3U HOLDING AG and the German Financial Supervisory Authority BaFin of their transactions involving shares of 3U HOLDING AG or related financial instruments, in particular derivatives. This obligation is also incumbent on persons closely connected with the aforementioned persons insofar as the sum total of the transactions of a person with management duties and persons in a close relationship with this person reaches EUR 20,000.00 by the end of the calendar year.

Inasmuch as they are concluded, all share transactions of board members are posted on the website of 3U HOLDING AG (www.3u.net) under the "Investor Relations/Directors' Dealings" heading.

4. Agreement for the event of a change of control resulting from a takeover offer

There are no material agreements of the company subject to the condition of change of control following a takeover offer. No termination right has been agreed with the members of the Management Board in the event of a change of control, meaning the acquisition of at least 30 % of the voting rights by a third party. In this case, Management Board members have no right to severance payment.

Corporate governance statement (Section 289f and Section 315d of the German Commercial Code (HGB))

The Management Board and the Supervisory Board of 3U HOLDING AG have submitted a corporate government statement pursuant to Section 289f and Section 315d of the German Commercial Code and made it permanently accessible on the website of 3U HOLDING AG (www.3u.net) under the "Investor Relations/ Corporate Governance" heading.

Consolidated financial statements for the financial year 2023

Consolidated statement of financial position

Assets 3U Group (kEUR)	Notes to the consolidated financial statements [Note]	31/12/2023	31/12/2022
Non-current assets		**39,647**	**34,148**
Intangible assets	[2.3.7] [2.3.8] [2.3.15] [6.1.1]	5,501	2,325
Property, plant and equipment	[2.3.9] [2.3.23] [6.1.2]	27,003	28,407
Rights of use	[2.3.10] [2.3.14] [6.1.3]	2,818	2,585
Investment property	[2.3.11] [6.1.4]	3,596	0
Other financial assets	[6.1.5]	107	88
Deferred tax assets	[2.3.18] [6.2]	537	632
Other non-current assets	[6.1.5]	85	111
Current assets		**79,661**	**209,455**
Inventories	[2.3.16] [6.3]	13,707	10,780
Trade receivables	[2.3.13] [6.4.1] [6.11]	3,933	3,601
Contract assets	[6.4.2]	513	0
Income tax receivables	[6.5]	1,206	358
Other current assets	[6.5]	4,890	5,014
Cash and cash equivalents	[2.3.13] [6.6] [6.11]	55,412	189,702
Total assets		**119,308**	**243,603**

Shareholders' equity and liabilities 3U Group (kEUR)	Notes to the consolidated financial statements [Note]	31/12/2023	31/12/2022
Shareholders' equity	[6.7]	**89,548**	**211,172**
Subscribed capital (Conditional Capital kEUR 2,032 / 31 December 2022: kEUR 3,016)	[6.7.1]	36,813	35,830
Treasury shares	[2.3.20] [6.7.1]	-3,241	0
Capital reserve	[6.7.1]	7,708	12,201
Retained earnings		36,935	-849
Profit/loss carried forward		7,957	4,195
Net income		2,552	158,987
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		**88,724**	**210,364**
Minority interest	[6.7.4]	**824**	**808**
Non-current liabilities		**18,972**	**19,913**
Non-current provisions	[2.3.17] [6.10]	1,481	1,453
Non-current financial liabilities	[6.8]	14,146	15,143
Non-current lease liabilities	[2.3.14] [6.1.3]	2,223	2,292
Deferred tax liabilities	[2.3.18] [6.2]	740	625
Other non-current liabilities	[6.8]	382	400
Current liabilities		**10,788**	**12,518**
Current provisions	[2.3.17] [6.10]	509	575
Current income tax liabilities	[6.9]	446	808
Current financial liabilities	[6.8]	1,463	1,403
Current lease liabilities	[2.3.14] [6.1.3]	847	641
Trade payables	[2.3.13] [6.11]	4,682	3,044
Other current liabilities	[2.3.13] [2.3.19] [6.9] [6.11]	2,841	6,047
Total shareholders' equity and liabilities		**119,308**	**243,603**

Consolidated statement of income

3U Group (kEUR)	Notes to the consolidated financial statements [Note]	Financial year 01/01–31/12	
		2023	2022
Revenue	[2.3.1] [5.1]	52,352	50,319
Other income	[5.2]	2,427	13,218
Changes in inventories of finished services and work in progress	[5.3]	416	386
Other capitalised services	[5.4]	44	0
Cost of materials	[5.5]	-33,194	-32,592
Gross profit/loss		**22,045**	**31,331**
Personnel expenses	[5.6]	-9,218	-8,251
Other operating expenses	[5.7]	-7,594	-14,594
EBITDA		**5,233**	**8,486**
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-3,594	-3,395
EBIT		**1,639**	**5,091**
Financial income	[2.3.4] [5.9]	2,615	541
Financial expenses	[2.3.5] [5.9]	-566	-487
Financial result	[2.3.4] [2.3.5] [5.9]	**2,049**	**54**
EBT		**3,688**	**5,145**
Income taxes	[2.3.6] [5.10]	-589	-1,388
Earnings after taxes from continuing operations		**3,099**	**3,757**
Earnings after taxes from discontinued operations		**0**	**155,644**
Net profit/loss for the period		**3,099**	**159,401**
Of which attributable to minority interest		547	414
Of which consolidated net income		**2,552**	**158,987**
Earnings per share, basic (in EUR)	[2.2.5] [5.11]	**0.07**	**4.50**
Earnings per share, diluted (in EUR)	[2.2.5] [5.11]	**0.07**	**4.26**

Consolidated statement of comprehensive income

3U Group (kEUR)	01/01–31/12	
	2023	2022
Net income for the period	**3,099**	**159,401**
Of which attributable to 3U HOLDING AG shareholders	2,552	158,987
Of which attributable to minority interest	547	414
Changes recognised directly in equity which may be reclassified to the income statement in the future	**0**	**0**
Changes recognised directly in equity which cannot be reclassified to the income statement in the future	**0**	**0**
Change in the amount recognised in equity	**0**	**0**
Total comprehensive income for the period	**3,099**	**159,401**
Of which attributable to 3U HOLDING AG shareholders	2,552	158,987
Of which attributable to minority interest	547	414

Consolidated statement of changes in equity

3U Group (kEUR) Notes to the consolidated financial statements [Note 6.7]	Subscribed Capital	Treasury shares	Capital reserve	Retained earnings/profit/loss carried forward and net income for the period attributable to 3U HOLDING AG shareholders
As of 1 January 2022	**35,314**	**0**	**14,821**	**5,112**
Dividend payment for the 2021 financial year	0	0	0	-1,766
Net income 2022	0	0	0	158,987
Share option plans	516	0	623	0
Contributions from/disbursements to non-controlling interests	0	0	0	0
Changes in the consolidation scope	0	0	-3,243	0
As of 31 December 2022	**35,830**	**0**	**12,201**	**162,333**

3U Group (kEUR) Notes to the consolidated financial statements [Note 6.7]	Subscribed Capital	Treasury shares	Capital reserve	Retained earnings/profit/loss carried forward and net income for the period attributable to 3U HOLDING AG shareholders
As of 1 January 2023	**35,830**	**0**	**12,201**	**162,333**
Dividend payment for the 2022 financial year	0	0	0	-117,441
Net income 2023	0	0	0	2,552
Share option plans	983	0	224	0
Acquisition of treasury shares 2023	0	-3,241	-4,717	0
Contributions from/disbursements to non-controlling interests	0	0	0	0
Changes in the consolidation scope	0	0	0	0
As of 31 December 2023	**36,813**	**-3,241**	**7,708**	**47,444**

Other comprehensive income Exchange rate differences	Other comprehensive income Hedging instruments	Equity attributable to 3U HOLDING AG shareholders	Minority interest	Total shareholders' equity
0	**0**	**55,247**	**6,865**	**62,112**
0	0	**-1,766**	0	**-1,766**
0	0	**158,987**	414	**159,401**
0	0	**1,139**	154	**1,293**
0	0	**0**	-206	**-206**
0	0	**-3,243**	-6,419	**-9,662**
0	**0**	**210,364**	**808**	**211,172**

Other comprehensive income Exchange rate differences	Other comprehensive income Hedging instruments	Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	Total shareholders' equity
0	**0**	**210,364**	**808**	**211,172**
0	0	**-117,441**	0	**-117,441**
0	0	**2,552**	547	**3,099**
0	0	**1,207**	0	**1,207**
0	0	**-7,958**	0	**-7,958**
0	0	**0**	-531	**-531**
0	0	**0**	0	**0**
0	**0**	**88,724**	**824**	**89,548**

Consolidated statement of cash flows

3U Group (kEUR)	Notes to the consolidated financial statements [Note 2.2.3 and 7]	01/01–31/12 2023	2022
Net income		**3,099**	**159,401**
+/- Write-downs/write-ups of fixed assets		3,594	4,509
+/- Increase/decrease in provisions		-84	412
-/+ Profit/loss from the disposal of non-current assets		4	-167,374
-/+ Increase/decrease in inventories and trade receivables		-1,850	10,401
+/- Increase/decrease in trade payables		1,125	-199
+/- Changes in other receivables		370	184
+/- Changes in other liabilities		-4,405	7,896
+/- Change in tax assets/liabilities, including deferred taxes		-1,367	942
+/- Other non-cash changes		-21	370
Cash flow from operating activities		**465**	**16,542**
+ Cash inflow from disposals of property, plant and equipment		351	6
- Cash outflow for investments in property, plant and equipment		-1,389	-9,820
- Cash outflow for investments in intangible assets		-45	-1,183
+ Cash outflow for investments in investment properties		-3,636	0
+ Cash inflow from the sale of consolidated companies and other business units		0	158,814
- Cash outflow from the acquisition of consolidated companies and other business units		-3,027	0
Cash flow from investing activities		**-7,746**	**147,817**
Amount carried forward*		**-7,281**	**164,359**

*See following page

3U Group (kEUR)	Notes to the consolidated financial statements [Note 2.2.3 and 7]	01/01–31/12 2023	2022
Amount carried forward*		**-7,281**	**164,359**
+ Cash inflow from additions to equity (capital increases, sale of treasury shares, etc.)		1,207	639
- Cash outflow to companies' owners and minority interest (dividend, equity capital payback, purchase of treasury shares, other disbursements)		-125,930	-1,972
+ Cash inflow from borrowings		0	16,426
- Disbursements from the repayment of bonds and (financial) loans		-1,283	-1,415
- Disbursements from the repayment of leasing liabilities		-1,003	-1,050
Cash flow from financing activities		**-127,009**	**12,628**
Total cash flow		**-134,290**	**176,987**
+/- Change in disposal restrictions on cash and cash equivalents		-84	2,210
Cash and cash equivalents at the beginning of period		**186,814**	**7,617**
Cash and cash equivalents at the end of period		**52,440**	**186,814**
Total change in cash and cash equivalents		**-134,374**	**179,197**

*See previous page

Notes to the consolidated financial statements

1 General information about the Group

The 3U HOLDING AG (hereinafter also referred to as "3U" or the "company"), headquartered in Marburg, is the holding company of the 3U Group and a listed stock corporation. It is entered into the Commercial Register of the Marburg District Court under HRB 4680.

The business activities of 3U and its subsidiaries comprise the management of its own assets, the acquisition, management and the sale of participating interests in domestic and foreign companies, as well as the provision of telecommunication services and IT services in the ITC segment. The activities in the area of renewable energies and in the field of sanitary, heating and climate technology are combined under the Renewable Energies and SHAC segments respectively.

The address of the company is: Frauenbergstraße 31– 33, 35039 Marburg, Germany.

Discontinued operations

By way of an agreement dated 3 September 2022, effective 30 September 2022, the Group sold all its shares (26,294,944 shares, 70.95 % of the share capital) in weclapp SE, Frankfurt am Main, to a subsidiary of the Exact Group B.V. Delft/Netherlands. weclapp SE's subsidiaries were also sold in the context of selling the shares. Upon the sale of the subgroup and its deconsolidation, the Group received funds of EUR 161.6 million and income of EUR 161.6 million. Other operating expenses and personnel expenses incurred through the sale totalled EUR 5.7 million in the financial year 2022.

The Group relinquished control over weclapp SE and its subsidiaries as of 30 September 2022. Accordingly, the companies were deconsolidated as of this date.

In the financial year 2022 the result of weclapp SE, together with its subsidiaries, for the period from 1 January until 30 September 2022 is disclosed separately as the result of discontinued operations in the consolidated income statement and in segment reporting.

The cash and cash equivalents no longer attributable to the Group as of 1 October 2022 were set off against the purchase price proceeds from the sale in the 2022 cash flow statement under investing activities.

The cash flows from discontinued operations break down as follows:

2022	kEUR
Cash inflow/outflow from operating activities	-2,697
Cash inflow/outflow from investing activities	169,766
Cash inflow/outflow from financing activities	-8,480
Net change in cash and cash equivalents	**158,589**

The following table shows the net disposal gain from deconsolidation:

2022	kEUR
Income from deconsolidation	161,640
Other operating expenses and personnel expenses	5,741
Deconsolidation before taxes	**155,899**
Tax expenses	338
Deconsolidation after taxes	**155,561**

The following assets and liabilities were deconsolidated effective 30 September 2022:

	kEUR
Non-current assets	19,288
Current assets excluding cash and cash equivalents	1,646
Cash and cash equivalents	920
Total assets	**21,854**
Non-current liabilities	4,060
Current liabilities	11,914
Total liabilities	**15,974**

2 Accounting and valuation policies

2.1 Accounting principles

These consolidated annual financial statements comprise 3U HOLDING AG and its subsidiaries. The consolidated financial statements of 3U HOLDING AG for the 2023 financial year were drawn up in accordance with the accounting standards of the International Accounting Standards Board (IASB) and the International Financial Reporting Standards (IFRS). The IFRS applicable as of 31 December 2023 were observed and the interpretations (IFRIC) of the International Financial Reporting Standards Committee (IFRS IC) were also applied. The consolidated financial statements cover all the information required by the IFRS as endorsed by the European Union (EU) and the additional requirements pursuant to Section 315e (1) German Commercial Code (HGB). Special reference is made to any pronouncements if applied prematurely.

The presentation of the statement of financial position distinguishes between current and non-current assets and liabilities, which are generally broken down further into their respective maturities in the notes to the consolidated financial statements. In addition to the income statement, the statement of financial position and the cash flow statement, changes in shareholders' equity are also shown. The income statement has been prepared using the total cost method.

The consolidated financial statements of 3U HOLDING AG provide a true and fair view of the net assets, financial position and results of operations. The consolidated financial statements and the combined management report of 3U HOLDING AG were compiled in accordance with Section 315e of the German Commercial Code (HGB) and will be published in the company register.

The consolidated financial statements were prepared in euros. The figures are stated in the consolidated financial statements in thousands of euros (kEUR) and were rounded up to whole kEUR. For arithmetical reasons, rounding differences may occur with monetary units and percentage amounts (kEUR, % etc.).

The Group companies keep their accounts and documents in accordance with the International Financial Reporting Standards (IFRS) and prepare separate financial statements in accordance with local regulations.

The financial year of 3U HOLDING AG and all the subsidiaries included in the consolidated financial statements is the calendar year. The consolidated financial statements are prepared under the assumption of going concern.

Newly applied accounting standards
3U took into account all standards and interpretations issued by the IASB which were in force as of 31 December 2023 and adopted into EU law.

The following standards were applied for the first time:

- Amendments to IAS 1; IFRS Practice Statement 2: "Disclosure of Accounting Policies" (1 January 2023)*
- Amendments to IAS 8: "Accounting Policies and Accounting Estimates, Changes in Accounting Estimates and Errors– Definition of Accounting Estimates" (1 January 2023)*
- Amendments to IAS 12: "Income – Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (1 January 2023)*

*Applicable to financial years commencing on or as from the given date

- Amendments to IAS 12: "Income Taxes – International Tax Reform – Pillar Two Model Rules" (1 January 2023)*
- Amendments to IFRS 17: "Insurance Contracts" (1 January 2023)*
- Further amendments to IFRS 17: "Insurance Contracts" – Initial Application of IFRS 17 and IFRS 9 – Comparative Information – (1 January 2023)*

The initial application of the standards and interpretations has not led to any changes in the Group's net assets, financial position and results of operations.

The following announcements on accounting principles published by the IASB and adopted into EU law are not yet mandatorily applicable and have not been applied prematurely by 3U HOLDING AG:

- Amendments to IAS 1: "Presentation of Financial Statements – Classification of Liabilities as Current or Non-current" (1 January 2024)*
- Amendments to IFRS 16 (September 2022): "Lease Liability in a Sale and Leaseback" (1 January 2024)*

The IASB has published further announcements, but these have not yet been enacted under EU law.

- Amendments to IAS 7 and IFRS 7 (May 2023): "Cash flow statement and financial instruments: "Amendments in Supplier Finance Arrangements" (1 January 2024)*
- Amendments to IAS 21 (August 2024): "Effects of Changes in Exchange Rates – Lack of Exchangeability" (1 January 2025)*

The individual effects of the changes are examined by the parent company 3U HOLDING AG for the Group. In particular, we do not expect any notable impact from changes to IAS 1, IFRS 16, IAS 7 and IFRS 7as well as IAS 21.

*Applicable to financial years commencing on or as from the given date

2.2 Principles of consolidation

2.2.1 Scope and policies of consolidation

In addition to 3U HOLDING AG, the scope of the consolidated financial statements drawn up for the financial year 2023 as of 31 December consisted of 27 (previous year: 24) German and foreign subsidiaries in which 3U HOLDING AG holds the majority of the voting rights, directly or indirectly, and where 3U HOLDING AG controls the affiliated companies. Domination by 3U HOLDING AG exists pursuant to IFRS 10 if the following conditions are cumulatively met:

- 3U HOLDING AG exercises the power of disposal over the subsidiary;
- 3U HOLDING AG is exposed to fluctuating returns from its participation;
- 3U HOLDING AG can influence the amount of return by virtue of its power of disposal.

Twelve (previous year: 12) subsidiaries whose impact on the net assets, financial position and results of operations individually and as a group is of minor importance are not consolidated. These companies are either not yet active or have ceased to operate. They are valued at cost and are shown under non-current assets.

A business combination is constituted when 3U HOLDING AG obtains control of another company. According to IFRS rules, a business combination (capital consolidation) is based on the acquisition method (revaluation method). The cost of an acquired subsidiary is measured at the fair value of the consideration transferred, i.e. the sum of the surrendered assets acquired and liabilities assumed. Incidental acquisition costs are recognised as an expense. Acquisition costs are allocated to the acquired assets, liabilities and contingent liabilities. The recognisable assets and liabilities are measured at their full fair value. Any surplus acquisition costs above the portion in the fair value of the identified recognisable assets and assumed liabilities acquired by the parent company are recognised as goodwill.

Initial recognition takes place with effect from the date on which 3U HOLDING AG directly or indirectly enters into a controlling relationship with the subsidiary. Amounts allocated to minority interest are reported separately under equity.

Income and expenses of a subsidiary are consolidated as from the acquisition date in the consolidated financial statements. The income and expenses of a subsidiary are included in the consolidated financial statements until control is terminated by the parent company. Where necessary, the accounting policies of subsidiaries are adjusted to the uniform Group accounting policies of 3U HOLDING AG.

The inclusion of subsidiaries ends when control no longer exists or the subsidiary's influence on the Group's net assets, financial position and results of operations is immaterial. Intercompany sales, expenses and income, as well as the receivables and liabilities existing between the consolidated companies are eliminated. In the case of consolidation processes affecting income, the income tax effects are taken into account and deferred taxes are recognised.

Intercompany profits and losses from intra-group deliveries and services are eliminated.

Transactions involving the further purchase or sale of equity shares with other shareholders which do not affect the controlling influence of 3U HOLDING AG do not result in any change in goodwill. The difference between the fair value of the consideration transferred or received and the book value of the equity attributable to the minority interest concerned is to be offset against consolidated equity with no effect on income.

In the event of the sale of a subsidiary and any other events which result in deconsolidation, the assets and liabilities included up until such time and the existing goodwill are offset against the proceeds from the disposal.

2.2.2 Foreign currency translation

Foreign companies whose functional currency (local currency) is not the euro were not included in the 3U Group in 2023 and 2022. The functional currency has therefore not been translated.

In general, transactions in foreign currencies are valued at the exchange rate at the time of the initial booking of the transaction. Up until the reporting date, exchange gains and losses resulting from the valuation of financial instruments and cash and cash equivalents are included in income.

As in the previous year, when netted out no notable expenses and gains resulted from exchange rate fluctuations due to foreign currency transactions in the 2023 financial year. Recognition in the income statement is included in other operating income or expenses.

2.2.3 Statement of cash flows

The statement of cash flows shows how the cash of the 3U Group changed during the reporting year as a result of monies coming in

and going out. In accordance with IAS 7, a differentiation is made between cash flows from operating activities (indirect method), from investing activities and from financing activities.

With regard to the initial inclusion of subsidiaries, only actual cash flows are reported in the cash flow statement. The cash amount from the purchase or sale of companies is reported as cash flow from investing activities. Aggregated cash flows from the purchase and sale of subsidiaries or other business units are reported separately and classified as investing activities.

2.2.4 Use of estimates and assumptions

The preparation of the annual financial statements at company and at Group level in accordance with the International Financial Reporting Standards requires estimates and assumptions to be made which affect the amounts of assets and liabilities, the notes to the financial statements, and the income statement. Assumptions and estimates are mainly applied in stipulating the useful lives and residual value of fixed assets, in measuring receivables, in calculating discounted cash flows as part of impairment tests and in creating provisions. Uncertainties also prevail regarding the recognition of deferred taxes. Management's estimates are based on experience and other assumptions, which are considered appropriate under the given circumstances. Estimates and assumptions are reviewed on an ongoing basis. Any necessary adjustments are made in accordance with IAS Each option 8.

Actual amounts may deviate from these estimates and assumptions.

The 3U Group's operations may result in various legal disputes from time to time. These are regularly examined to assess the provisions necessary for probable claims, including estimated legal costs. The uncertainty of the outcome of these proceedings may possibly exert a negative impact on future operating results.

On each balance sheet date, 3U establishes whether there are any indications that non-financial assets are impaired. Goodwill is reviewed at least once a year or if there are any indications of impairment. To estimate the useful life, management must estimate the likely future cash flow from the asset or cash-generating unit and select an appropriate discount rate to calculate the present value of this cash flow.

2.2.5 Earnings per share

Basic earnings per share correspond to the profit attributable to 3U's shareholders, respectively the profit (after taxes) divided by the weighted average number of shares outstanding during the financial year. 3U calculates earnings per share (diluted) based on the assumption that all potentially dilutive securities and remuneration plans which are based on securities are converted or exercised.

2.3 Accounting and valuation policies

2.3.1 Principles of revenue realisation

Income from ordinary activities is reported under revenue and income from property development activities in the previous year was allocated to other operating income. Revenues are reported net of VAT and after deduction of discounts granted. They are recorded in accordance with the provision of service. In the process, a distinction is made between time-related and performance-related obligations.

Revenue in the ITC segment results from activities as a fixed line network provider with its own transmission network and its own switching technology, as well as services related to its own data centres and, since September 2023, from the installation, maintenance and ongoing support provided for communication solutions and networks. Up until 30 September 2022, this segment also included revenue from the distribution and operation of cloud-based CRM and ERP solutions as well as from the IT licensing business.

In the Renewable Energies segment, external revenue was generated through planning and developing projects in the area of renewable energies, as well as through producing electricity with the segment's own plants.

Revenue in the SHAC segment is generated from selling products from sanitary, heating and air conditioning technology. Based on empirical experience, provisions are formed for existing take-back obligations (returns) in the e-commerce business.

Revenue within Other Activities/Consolidation is also derived from property rentals.

Revenue from time-related obligations is recognised when the service has been fully rendered and it is sufficiently probable that the economic benefit will accrue to the company from the business.

Revenue from contracts for work and service contracts (rendering services) are realised as period-related performance obligations in accordance with the stage of completion. The stage of completion or degree of completion is generally determined by the ratio of the contract costs incurred up until the reporting date to the total contract costs estimated on the reporting date (cost-to-cost method). The orders are reported as assets under "Contract assets" or, in the case of impending losses, as liabilities under "Other provisions". If prepayments exceed the cumulative benefit, they are reported on the liabilities side of the balance sheet under "Contract liabilities". Other contracts based on fixed prices are also recognised on a straight-line basis over the term of the contract.

Income which is not related to the operating business is reported under other operating income.

2.3.2 Total cost

Total costs comprise all costs incurred during the year under review.

2.3.3 Research and development costs

Research costs are recognised as an expense in the income statement at the time when they are incurred. The technological feasibility of a product is only achieved shortly before it is ready to go to market. In the phase leading up to technological feasibility, the processes between the research and development stages are iteratively closely interlinked. Expenses for research and development which occur after technological viability has been achieved are generally insignificant. Development expenses incurred with standard-based customised development projects (in respect of which the IAS 38 criteria are cumulatively fulfilled) are capitalised within a limited scope and written down over the estimated economic useful life.

Development costs of EUR 0.1 million were capitalised in the financial year 2023 (previous year: EUR 0.8 million; see Note 6.1.1). In the financial year 2023, no research and development costs were recognised as expenses in the 3U Group (previous year: EUR 3.0 million).

2.3.4 Interest income

Interest income is recognised using the effective interest rate method at the time when it is incurred. The effective interest rate is defined as the interest rate used to discount the expected future inflows over the term of the financial assets to the net carrying amount of these assets.

2.3.5 Interest expenses

Pursuant to the provisions of IAS 23, interest expenses for qualifying assets are capitalised as part of the cost of production if producing these assets requires a longer period of time. No interest expenses were capitalised in the 2023 financial year (previous year: EUR 0.3 million).

Interest expenses are recognised using the effective interest rate method at the time they arise. The effective interest rate is the interest rate used to discount the expected future cash outflows over the term of the financial liabilities to arrive the net carrying amount of these liabilities.

2.3.6 Income taxes

Income taxes are accounted for using the liability method in accordance with IAS 12. Tax expenses and refunds which depend on income and profit are recorded as income taxes.

Current taxes are recognised for income taxes owed at the time when they are incurred. Deferred taxes include expected tax payments or refunds from temporary valuation differences between the consolidated balance sheet and the tax balance sheet, as well as from the use of loss carryforwards and from consolidation entries. Capitalised goodwill does not result in deferred taxes. Deferred tax assets and liabilities are measured at the tax rates applicable in the future, whereby changes in tax rates are generally not taken into account until the change in the law comes into force. If the realisability of deferred tax assets does not appear sufficiently probable in the future, they are not recognised.

2.3.7 Goodwill

Goodwill resulting from capital consolidation is not subject to scheduled amortisation in accordance with IFRS 3. Goodwill recognised in the statement of financial position is assessed once a year for its economic benefit and for impairment and more frequently if there are indications of impairment (impairment test). In the event of impairment, goodwill is written down to its recoverable amount.

Reference is made to the explanations in Note 2.3.15.

2.3.8 Other intangible assets

Intangible assets are capitalised in accordance with IAS 38 (Intangible Assets) if it is likely that a future economic benefit will accrue from the use of the asset and costs of the asset can be reliably determined. Intangible assets are measured at acquisition cost less scheduled straight-line amortisation and impairment losses. Scheduled amortisation is reported under the depreciation and amortisation item.

Depreciable intangible assets are in principle written down over their economic useful life of three to five years.

Telecommunication licences shown under intangible assets are amortised over a period of ten years. Software licences for transmission and IT are amortised over a period of three to ten years.

Reference is made to the explanations in Note 2.3.15.

2.3.9 Property, plant and equipment

Property, plant and equipment are reported at amortised cost pursuant to IAS 16. If property, plant or equipment are sold or retired, their acquisition cost and accumulated depreciation are eliminated from the statement of financial position and the profit or loss resulting from their sale is posted to the income statement.

The acquisition costs of property, plant and equipment includes the purchase price plus incidental acquisition costs, acquisition price reductions, subsequent acquisition costs, as well as the present value of restoration obligations.

Production costs include directly attributable costs and production-related material and manufacturing overheads.

Financing costs pursuant to IAS 23 are included in the acquisition or production costs.

Depreciation is calculated on a straight-line basis over the following estimated useful lives, taking account of the residual value and reported under the depreciation item:

Buildings	25–40 years	Switching technology	5 years
Power plants	10–25 years	Transfer technology	5-8 years
Operating equipment	4 years	Leasehold improvements	Duration of the rental agreement
Office	3–13 years		

No scheduled depreciation and amortisation are applied to land and leasehold rights.

The useful lives and depreciation methods applied are examined in each period to ensure that the depreciation methods and the depreciation period correspond to the anticipated economic benefit of property, plant and equipment. If the acquisition costs of specific tangible assets are significant – in relation to the overall acquisition and production costs – 3U accounts for them separately and applies depreciation.

The costs of restoration obligations were individually assessed per location when the obligation arose on conclusion of the contract and were capitalised when a corresponding provision was created; they are reviewed every year to ascertain whether they are up to date and adjusted if necessary.

Reference is made to the explanations in Note 2.3.15.

2.3.10 Rights of use

Rights of use are reported in accordance with IFRS 16.

The right of use is amortised on a scheduled basis over the useful life or the term of the contract, whichever is shorter, in accordance with the regulations on intangible assets. The rights of use in the 3U Group had a term of up to 10 years as of 31 December 2023.

Reference is made to Note 2.3.14.

2.3.11 Investment property

Properties held to earn rentals or for long-term capital appreciation and which are not used in production or for administrative purposes are reported separately under investment property. These assets held as investment property are measured at amortised cost in accordance with IAS 40.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings	50 years

2.3.12 Borrowing costs

Reference is made to Note 2.3.5.

2.3.13 Finanzinstrumente

The recognition and measurement of financial assets and liabilities (financial instruments) of the financial year is performed in accordance with IAS 9. The FVPL option (option for applying fair value to financial instruments) has been waived.

Classification and measurement

IFRS 9 defines three categories for measuring financial assets:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit and loss
- Financial assets measured at fair value with no effect on income

Classification under IFRS 9 is contingent on the fulfilment of the cash flow criterion according to which the contractual cash flows consist exclusively of interest and repayment and of the fulfilment of the business model criterion under which classification is carried out depending on the management of financial assets to generate cash flows.

The accounting and measurement of financial liabilities under IFRS 9 comprise the following categories:

- Financial liabilities at amortised cost
- Financial liabilities measured at fair value through profit and loss

Under IFRS 9, when a financial instrument is recognized for the first time on the settlement date, it is reported at the acquisition cost which corresponds to the fair value of the consideration surrendered. Transaction costs are included unless the financial instrument is recognised at fair value through profit and loss. Upon initial recognition, classification into one of the aforementioned categories is carried out.

During the period under review and on the reporting date, 3U did not have any financial assets and liabilities measured at fair value through profit and loss in its portfolio. This category of financial instruments generally includes financial assets and liabilities held for trading. These are measured at fair value. They primarily include derivative financial instruments which are not embedded in an effective hedging relationship pursuant to IFRS 9. Any gain or loss resulting from subsequent measurement, including from interest and dividend, is recognised in the income statement.

Financial instruments measured at amortised cost are non-derivative financial assets or liabilities that cumulatively meet the following conditions:

- The financial instrument is held as part of a business model whose objective is to hold the financial instrument in order to generate contractual cash flows, and

- the contractual conditions trigger cash flows on predefined dates which consist exclusively of interest and repayment with respect to the nominal amount.

Following initial recognition, the financial instruments measured at amortised cost are valued at amortised cost in application of the effective interest method, less any impairment. Gains and losses in the period are recorded through profit and loss if they are derecognised or impaired or if their value is lower due to amortisation.

Loans and obligations taken up by the company are measured at fair value upon initial recognition and in subsequent years accounted for at amortised cost in application of the effective interest method.

Financial instruments, such as cash and cash equivalents, trade receivables and trade payables, advance payments made and received, loans and other financial assets and liabilities are measured at amortised cost which corresponds to their fair values based on their maturity.

Debt instruments are measured at fair value with no effect on income if the following conditions are cumulatively met and they have not been designated at fair value through profit and loss:

- The financial instrument is held in the context of a business model, the aim of which is to generate cash flows both from holding and from the disposal of the financial instrument, and
- the contractual conditions trigger cash flows on predefined dates which consist exclusively of interest and repayment with respect to the nominal amount.

Following initial recognition, they are measured at fair value. Interest is measured in application of the effective interest method, less any impairment. Other gains and losses are recognised in other comprehensive income (OCI). When a financial instrument is derecognised, the amounts in OCI are reposted to the income statement.

No debt instruments were held or disposed of in the reporting period or as of the balance sheet date.

Upon the initial recognition of an equity instrument not held for trading purposes, the Group can decide whether the changes are to be irrevocably reported at fair value in OCI. The choice of this option applies per equity instrument. After initial recognition at fair value, dividends are recorded in the income statement, unless dividend clearly constitutes a write-up to the acquisition costs of the investment. Other gains and losses are recorded in OCI and are not reposted to the statement of income even if the financial instrument is derecognised.

No equity instruments were held or disposed of in the reporting period or as of the balance sheet date.

A reclassification following initial recognition is only made if the Group changes its business model in relation to generating cash flows of financial assets.

Impairment of financial assets

In determining impairment in respect of financial assets, the "Expected Credit Losses Model" under IFRS 9 which is based on expected loss is applied. The impairment model is to be applied to financial assets measured at amortised cost, to contract assets and debt instruments measured at fair value in equity, with no effect on income. In applying the new impairment model, the risk provision is fundamentally recorded at an earlier date.

Under IFRS 9, all expected credit losses on the aforementioned assets are accounted for by means of impairment losses. The general model prescribed by IFRS 9 (three-stage model, beginning with the "12-month model of expected credit losses") is generally applied or the simplified model (expected credit losses over the entire lifetime) to trade receivables and contract assets.

In accordance with the general approach, financial assets are considered to have a low default risk upon addition, for which a risk provision in the amount of the expected credit loss in the next 12 months must be recognised. In the event of a significant increase in the default risk, expected credit losses are to be recognised over the lifetime. An increase of this kind is indicated, among other signs, if the debtor has been in payment arrears for more than 30 days. If there are objective indications, such as insolvency, appropriate value adjustments are recorded.

3U assesses expected credit losses for cash and cash equivalents and other financial assets, with the exception of trade receivables, in accordance with the general approach. These expected credit losses are examined on a quarterly basis to ascertain if there has been a deterioration in the credit quality that would result in a change in the classification.

The impairment amount identified for cash and cash equivalents was immaterial overall.

The simplified approach is to be applied to trade receivables and contract assets which do not comprise any material financing components. Accordingly, expected credit losses are to be recognised over the lifetime.

Impairment losses are recognised in the income statement under other operating expenses. With regard to materiality, disclosing a separate position in the income statement has been waived in accordance with IAS 1.29.

Derecognition of financial assets and liabilities
Financial assets are derecognised when

- the rights to the cash flows have expired or
- assigned, and the Group has essentially transferred all the risks and rewards incidental to ownership, or
- the risks and rewards were neither transferred nor retained, but the Group has assigned the authority of control.

Financial liabilities are derecognised if

- underlying contractual obligations are settled, cancelled or have expired.

Disclosure of financial assets and financial liabilities
Financial assets and financial liabilities are generally not shown net; they are only offset when, in respect of the amounts at the time, there is a right of offsetting and an intention to settle on a net basis. In the current financial year, financial assets and liabilities were offset to the extent that netting agreements exist which allow financial assets and financial liabilities to be offset on the payment date.

2.3.14 Leases

Under the IFRS 16 single accounting model, 3U as lessee must report assets and liabilities for most leases in the statement of financial position. Only short-term leases and leased assets of minor value (kEUR 5) are not recognised. While 3U as lessee no longer has to differentiate between operating and finance leases, this distinction still applies to 3U as lessor.

IFRS 16 defines a lease as a contract under which the right to use (in terms of control) an identified asset (right of use) is transferred for an agreed period of time for a fee or for a consideration. The leased asset must be identifiable and 3U as lessee must be able to control it.

For all leasing relationships, 3U as lessee reports a right of use for an asset and a leasing liability on the date on which the lessor transfers the asset to 3U for use.

As a lessee, 3U must report the leasing liability in the amount of the cash value of the future leasing payments at the beginning of the leasing relationship. The leasing payments are composed of the following components:

- Fixed lease payments
- Variable lease payments which depend on the development of an index or price
- Expected payments for residual value guarantees
- Exercise price of a call option, if exercise is sufficiently certain
- Penalties for premature termination of a contract if the lease term indicates that the lessee will exercise this option

The interest rate on which the lease is based or the incremental borrowing interest rate of 3U is to be used for the valuation.

At the time of acquisition, 3U as lessee must measure the right of use at cost which consists of the following components:

- Acquisition value of the leasing liability
- Lease payments made before or at the beginning of the lease, less incentive payments in favour of the lessee
- Any initial direct costs incurred by the lessee

The lease liability is subsequently measured in accordance with the provisions for financial instruments under IFRS 9 using the effective interest method, i.e. the carrying amount of the lease liability is discounted using the interest rate used for discounting and reduced by the lease payments made. This results in a declining interest rate.

The right of use is amortised on a scheduled basis over the useful life or the term of the lease, whichever is shorter.

This is reported separately in the income statement as depreciation of the asset and interest from the liability.

2.3.15 Impairment of non-financial assets and property, plant and equipment

3U examines goodwill for possible impairment in accordance with the Group's accounting regulations at least once a year. Determination of the recoverable amount (value in use or fair value less costs to sell, whichever is higher) of a cash generating unit to which goodwill was allocated is associated with estimations by management. The Group determines these figures using valuation methods based on discounted cash flows. These discounted cash flows are based on three- to five-year forecasts which build on financial plans approved by management and the Supervisory Board. The cash flow forecasts take account of past experience and are based on management's best estimations of future developments.

In the review for impairment the goodwill acquired in the scope of a business combination is assigned to each cash-generating unit expected to benefit from the synergies of the combination. Impairment of goodwill may not be reversed. If the impairment of the cash-generating unit exceeds the carrying amount of goodwill allocated, the additional amount must be accounted for by a proportionate reduction in the carrying amounts of assets allocated to the cash-generating unit.

Goodwill was determined in the context of business combinations within the ITC, Renewable Energies and SHAC segments. Goodwill resulting from previous years is allocated to the cash-generating units of "online shop", project development and the production of wind energy.

Goodwill was determined in the context of the business combination with cs communication systems GmbH in the financial year 2023.

The company's property, plant and equipment and other intangible assets are subject to an impairment test at minimum on each reporting date to ascertain whether there are any indications of impairment. In the event of such indications, the recoverable amount for the asset is determined in order to calculate the amount of any appropriate impairment charge. If the assets do not generate any cash flows independently of other assets, the recoverable amount for the individual asset value is calculated based on the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or of a cash-generating unit) is below its carrying amount, the latter is reduced to the recoverable amount. The impairment amount must be recognised immediately in profit and loss. If write-ups are required in accordance with IAS 36, they are recognised through profit and loss.

Write-ups are made to the newly determined recoverable amount. However, the write-up is limited to the amount that would have been the carrying amount if no impairment loss had been recognised.

Non-current assets or groups of assets which are sold in a single transaction (disposal group) and classified as held for sale, including any associated debt, are generally reported at the carrying amount or fair value less costs to sell, whichever is lower. Assets held for sale are no longer subject to scheduled depreciation.

2.3.16 Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is generally determined by individual valuation or using the average cost method. Production costs include directly attributable costs and production-related material and manufacturing overheads as well as depreciation. Inventory risks resulting from limited usability or significant storage periods are taken into consideration by making appropriate value adjustments.

2.3.17 Provisions

Provisions are recognised if there is a legal or constructive obligation to third parties arising from a past event, if it is probable that the obligation will be claimed, and if the expected amount of the future cash outflow can be reliably estimated. The amount of provisions for litigation is determined based on the outcome of the dispute as assessed by the Management Board to the best of its knowledge and in line with the facts known on the reporting date. Non-current provisions with a remaining term of more than one year are reported at their provisional discounted settlement amount as of the reporting date.

2.3.18 Deferred taxes

Deferred tax assets and liabilities are recognised in accordance with IAS 12 ("Income Taxes") for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS statement of financial position. Deferred tax assets are recognised to the extent that it is likely that taxable profit will be available against which the deductible temporary difference can be utilised. The basis for this is the forecast of the taxable earnings which are derived from the three-year planning approved by management. The assessment and measurement of deferred tax assets is reviewed on each reporting date, taking the current estimations into account in accordance with IAS 12.37 and IAS 12.56.

Deferred tax assets on benefits from unused tax loss carry forwards are capitalised to the extent that it can be assumed with sufficient probability that the respective company can generate sufficient taxable income in the future.

Deferred taxes are calculated based on tax rates which are valid at the time of realisation or will apply in future. Deferred taxes are recognised as tax income or expense in the income statement unless they pertain to items recognised directly in equity; in this case, deferred taxes are recorded in equity without effect on profit or loss.

Deferred tax assets and liabilities are netted off if they relate to income taxes collected from the same tax office and the Group intends to settle its current tax assets and liabilities on a net basis.

2.3.19 Other non-financial liabilities

Other non-financial liabilities encompass tax liabilities, liabilities to employees and miscellaneous other liabilities. They are initially recognised at the repayment amount, discounted if necessary. Foreign currency liabilities are measured at the exchange rate on the balance sheet date.

2.3.20 Acquisition of treasury shares

Treasury shares are recognised as a deduction from equity. In buying back treasury shares, the entire acquisition costs of those treasury shares are deducted as one amount from equity (one-line adjustment).

2.3.21 Employee participation programme

The Group grants the Management Board and employees share-based remuneration through equity instruments. Remuneration with equity instruments is measured at fair value on the commitment date. The fair value of the share-based payments using equity instruments on the commitment date is recognised as an expense on a straight-line basis throughout the lockup or vesting period and disclosed in the capital reserve. This is based on the internal Group estimations of the number of shares which grant entitlement to additional remuneration.

On every balance sheet date, the Group reviews its estimations regarding the number of equity instruments that become non-forfeitable. The effects of any changes in estimations, where such exist, are recognised through profit and loss over the period until the benefits become vested.

Share options numbering 2,771,998 were issued under the 2018 Share Option Plan, 1,154,000 of which had expired as of the end of the reporting period, with 1,498,998 share options having been exercised. The option rights under the 2018 Share Option Plan may be exercised within eight years after a four-year vesting period, starting with day on which the option is issued, for the first time as from December 2022.

As of 31 December 2023, the share price (base value of the option) stood at EUR 2.05 per share, which is significantly above the exercise price of EUR 1.24 per share. The share price volatility derived from historical figures means that the fair value of the option when the share options were issued was EUR 0.198.

No other employee participation programme existed at 3U HOLDING AG as of the balance sheet date.

A further employee participation programme was launched for subsidiary weclapp SE at the end of 2021. weclapp SE was deconsolidated as of 30 September 2022.

2.3.22 Comparative figures

Comparative figures are adapted where necessary to ensure that they are comparable with the current year due to changes in reporting.

The comparative figures were not adjusted in the 2023 financial year.

2.3.23 Determination of fair value

Fair value is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants paid on the measurement date.

The measurement of fair value pertains to a specific asset or a specific liability respectively. Consequently, in measuring fair value, the characteristics of the asset or liability that a market participant would take into account in pricing the asset or liability at the measurement date are considered. Such characteristics include, but are not limited to, the following:

(a) condition and location of the asset and
(b) restrictions on the disposal or use of the asset.

With the aim of increasing the uniformity and comparability in the measurement of fair value and the related disclosures, a so-called fair value hierarchy is determined. This hierarchy divides the inputs used in the valuation methods used to measure fair value into three levels. As part of this hierarchy, the prices quoted (not adjusted) in active markets for identical assets or liabilities (input factors at Level 1) are given the highest priority, while non-observable inputs receive the lowest priority (input factors at Level 3).

Level 2 inputs differ from market prices quoted for Level 1 which are observable for the asset or liability, either directly or indirectly.

3 Scope of consolidation

Subsidiaries included in the full consolidation:

Company	Registered office	Country	Share held by 3U HOLDING AG*
010017 Telecom GmbH	Marburg	Germany	100.000 %
3U ENERGY AG**	Marburg	Germany	99.998 %
3U ENERGY PE GmbH	Berlin	Germany	99.998 %
3U Euro Energy Systems GmbH**	Marburg	Germany	99.996 %
3U TELECOM GmbH	Marburg	Germany	100.000 %
3U TELECOM GmbH	Vienna	Austria	100.000 %
Atrium 270. Europäische VV SE	Düsseldorf	Germany	100.000 %
Calefa GmbH	Koblenz	Germany	75.000 %
cs communication systems GmbH	Pleidelsheim	Germany	100.000 %
cs network GmbH telecommunication services	Pleidelsheim	Germany	100.000 %
Discount Telecom S&V GmbH	Marburg	Germany	100.000 %
Exacor GmbH	Marburg	Germany	100.000 %
fon4U Telecom GmbH	Marburg	Germany	100.000 %
Immowerker GmbH**	Marburg	Germany	100.000 %
LineCall Telecom GmbH	Marburg	Germany	100.000 %
OneTel Telecommunication GmbH	Marburg	Germany	100.000 %
PELIA Gebäudesysteme GmbH	Koblenz	Germany	100.000 %
Repowering Sachsen-Anhalt GmbH	Marburg	Germany	99.998 %
RISIMA Consulting GmbH	Marburg	Germany	100.000 %
samoba GmbH**	Bad Honnef	Germany	70.000 %
Selfio GmbH	Bad Honnef	Germany	100.000 %
Solarpark Adelebsen GmbH**	Adelebsen	Germany	100.000 %
Windpark Klostermoor GmbH & Co. Betriebs-KG	Marburg	Germany	95.610 %
Windpark Langendorf GmbH & Co. KG	Marburg	Germany	99.998 %
Windpark Langendorf Verwaltungsgesellschaft mbH	Marburg	Germany	99.998 %
Windpark Roge GmbH	Marburg	Germany	99.998 %
Windpark Roge GmbH & Co. Betriebs-KG	Marburg	Germany	50.090 %

*3U HOLDING AG holds direct or indirect participating interests in these companies.
**There are restrictions on loan repayments and/or dividend distributions based on a letter of comfort or subordination agreement by the parent company or for reason of capital service provisions in loan agreements. Reference is made to Note 6.8.

Changes in the scope of consolidation

Compared with 31 December 2022, the following changes in the scope of consolidation have taken place:

cs communication systems GmbH and cs network GmbH telecommunication services
In the financial year 2023, 100 % of the shares in cs communication systems GmbH, Pleidelsheim, and cs network GmbH telecommunication services, Pleidelsheim, were acquired, effective 1 January 2023, by way of notarised purchase agreement of 2 August 2023. Closing took place on 29 August 2023. For reasons of materiality, the initial consolidation of the companies took place on 1 September 2023.

As part of the purchase price allocation, the acquisition costs of cs communication systems GmbH were offset by the fair value of the assumed assets and liabilities amounting to TEUR 740 million.

cs communication systems GmbH (kEUR)	01/09/2023
Non-current assets	
Intangible assets	766
Property, plant and equipment	46
Rights of use	544
Other non-current assets	19
Current assets	
Inventories	886
Trade receivables	359
Contractual assets	585
Other current assets	214
Cash and cash equivalents	375
Assets	**3,794**
Non-current liabilities	
Non-current financial liablities	292
Non-current lease liabilities	407
Deferred tax liabilities	229
Current liabilities	
Current financial liablities	468
Current lease liabilities	137
Other current liabilities	1,521
Liabilities	**3,054**
Net assets	**740**

As part of the purchase price allocation, hidden reserves for the company brand (kEUR 361), customer relationships (kEUR 286) and orders on hand (kEUR 115) were identified. Goodwill of kEUR 2,717 million was ascertained based on the difference between the net assets and the acquisition costs.

(kEUR)	Revenue 2023	Revenue after initial consolidation	EBITDA 2023	EBITDA after initial consolidation
cs communication systems GmbH	5,398	1,852	-274	329

As part of the purchase price allocation, the acquisition costs of cs network GmbH telecommunication services were offset by the fair value of the assumed assets and liabilities amounting to kEUR 237 million.

cs network GmbH telecommunication services (kEUR)	01/09/2023
Non-current assets	
Rights of use	45
Current assets	
Inventories	41
Trade receivables	52
Other current assets	220
Cash and cash equivalents	109
Assets	**467**
Non-current liabilities	
Non-current financial liablities	54
Non-current lease liabilities	29
Current liabilities	
Current lease liabilities	16
Other current liabilities	131
Liabilities	**230**
Net assets	**237**

The difference between the net assets and the acquisition costs amounting to kEUR 12 was derecognised through profit or loss for reasons of materiality.

(in TEUR)	Revenue in 2023	Revenue after initial consolidation	EBITDA 2023	EBITDA after initial consolidation
cs network GmbH telecommunication services	379	93	-79	-78

At the time of purchase, the companies did not have any contractual cash flows which were likely to be uncollectible. No valuation allowances were formed for this reason.

As, at the time of purchase, the transaction pertained to shares, this did not result in any goodwill deductible for tax purposes.

Atrium 270. Europäische VV SE

Upon the acquisition of shares and transfer agreement of 3 August 2023, the company also acquired 100 % of the shares in the shelf company Atrium 270. Europäische VV SE headquartered in Düsseldorf. The company was non-active through to 31 December 2023. For reasons of materiality, the initial consolidation took place on 1 September 2023.

As part of the purchase price allocation, the acquisition costs of Atrium 270. Europäische VV SE were offset by the fair value of the assumed assets and liabilities amounting to kEUR 120 million.

Atrium 270. European VV SE (kEUR)	01/09/2023
Non-current assets	0
Current assets (cash and cash equivalents)	120
Assets	**120**
Non-current liabilities	0
Current liabilities	0
Net assets	**120**

The difference between the net assets and the acquisition costs amounting to kEUR 15 was derecognised through profit or loss for reasons of materiality. The company was non-active in the financial year 2023.

At the time of purchase, there were no contractual cash flows likely to be uncollectible. No valuation allowances were formed for this reason.

As, at the time of purchase, the transaction pertained to shares, this did not result in any goodwill deductible for tax purposes.

As of 31 December 2023, 27 (31 December 2022: 24) domestic and foreign subsidiaries in which 3U HOLDING AG holds a majority of the voting rights or has the possibility of control, either directly or indirectly, were included in the scope of consolidation, in addition to 3U HOLDING AG.

Twelve subsidiaries (31 December 2022: 12) whose impact on the net assets, financial position and results of operations individually and as a group is of minor importance are not consolidated. These companies are essentially non-active companies. They are valued at acquisition cost less necessary value adjustments and reported under non-current assets.

Other financial assets

The remaining companies do not engage in business activities at all or not yet in business activities of any significance. The influence of these companies on the Group's net assets, financial position and results of operations is of minor importance, both individually and collectively.

Company	Registered office	Country	Share held by 3U HOLDING AG*	Currency	Shareholders' equity	Results for the financial year2023**
3U DYNAMICS GmbH	Marburg	Germany	100 %	EUR	22,536.93	-9,924.63
3U MOBILE GmbH	Marburg	Germany	100 %	EUR	1,561.04	-1,534.25
ACARA Verwaltung GmbH	Marburg	Germany	100 %	EUR	23,337.52	916.77
EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH	Marburg	Germany	100 %	EUR	52,062.82	-1,456.41
Märkische Windkraft 89 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-3,604.15	-1,632.60
Märkische Windkraft 112 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-16,354.43	-1,648.10
Windpark DBF GmbH	Marburg	Germany	100 %	EUR	-2,127.30	-1,801.56
Windpark Bürgerenergie Ostprignitz-Ruppin 3 GmbH & Co. KG	Berlin	Germany	9.090 %	EUR	-10,218.13	-2,981.50
Windpark Bürgerenergie Teltow-Fläming 3 GmbH & Co. KG	Berlin	Germany	8.330 %	EUR	-10,408.62	-2,981.50
Windpark Havelland Projekt II GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-7,226.11	-1,654.10
Windpark Merzdorfer Heide I GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-12,517.81	-1,684.10
Windpark Merzdorfer Heide II GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-5,551.09	-1,786.30
Windpark Ruppin Projekt GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-5,250.91	-1,654.10
Windpark Ruppin Projekt 2 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-4,866.50	-1,919.10

*3U HOLDING AG holds direct or indirect participating interests in these companies.
**Domestic – prior to profit transfer

4 Segment reporting

Segment reporting 2023 01/01–31/12/2023 (kEUR)	ITC	Renewable Energies	SHAC	Subtotal	Other activities	Reconcili-ation	Group
Third-party revenue	14,654	8,058	29,626	52,338	8	6	52,352
Revenue from other segments/business lines	684	0	1	685	1,899	-2,584	0
Intercompany revenue (intra-segment revenue)	1,235	189	18,716	20,140	0	-20,140	0
Total revenue	**16,573**	**8,247**	**48,343**	**73,163**	**1,907**	**-22,718**	**52,352**
Less intercompany revenue	-1,235	-189	-18,716	-20,140	0	20,140	0
Segment revenue/Group revenue	**15,338**	**8,058**	**29,627**	**53,023**	**1,907**	**-2,578**	**52,352**
Other operating income	1,293	260	509	2,062	580	-215	2,427
Changes in inventory	-117	486	47	416	0	0	416
Other own work capitalized	0	0	0	0	0	44	44
Cost of materials	-8,083	-582	-24,529	-33,194	0	0	-33,194
Gross profit or loss	**8,431**	**8,222**	**5,654**	**22,307**	**2,487**	**-2,749**	**22,045**
Personnel expenses	-2,954	-244	-3,329	-6,527	-2,691	0	-9,218
Other operating expenses	-1,564	-2,146	-3,507	-7,217	-2,645	2,268	-7,594
EBITDA	**3,913**	**5,832**	**-1,182**	**8,563**	**-2,849**	**-481**	**5,233**
Depreciation and amortisation	-530	-2,039	-741	-3,310	-640	356	-3,594
EBIT	**3,383**	**3,793**	**-1,923**	**5,253**	**-3,489**	**-125**	**1,639**
Financial result*	**194**	**-1,182**	**-654**	**-1,642**	**4,965**	**-1,274**	**2,049**
Other financial result	194	-1,182	-654	-1,642	4,965	-1,274	2,049
Income tax	52	-656	0	-604	0	15	-589
Result from continuing operations	**3,629**	**1,955**	**-2,577**	**3,007**	**1,476**	**-1,384**	**3,099**
Of which attributable to minority interest	0	-571	24	-547	0	0	-547
Segment result/Group result from continuing operations	**3,629**	**1,384**	**-2,553**	**2,460**	**1,476**	**-1,384**	**2,552**

*Before profit transfer

Segment reporting 2022 01/01-31/12/2022 (kEUR)	ITC	Renewable Energies	SHAC	Subtotal	Other activities	Reconciliation	Group
Third-party revenue	12,135	7,203	31,506	50,844	20	6	50,870
Revenue from other segments/business lines	5	0	5	10	1,866	-2,427	-551
Intercompany revenue (intra-segment revenue)	1,433	153	19,029	20,615	0	-20,615	0
Total revenue	**13,573**	**7,356**	**50,540**	**71,469**	**1,886**	**-23,036**	**50,319**
Less intercompany revenue	-1,433	-153	-19,029	-20,615	0	20,615	0
Segment revenue/Group revenue	**12,140**	**7,203**	**31,511**	**50,854**	**1,886**	**-2,421**	**50,319**
Other operating income	1,194	77	408	1,679	11,831	-292	13,218
Changes in inventory	0	388	-2	386	0	0	386
Other own work capitalized	0	0	0	0	0	0	0
Cost of materials	-6,668	-371	-25,566	-32,605	0	13	-32,592
Gross profit or loss	**6,666**	**7,297**	**6,351**	**20,314**	**13,717**	**-2,700**	**31,331**
Personnel expenses	-2,281	-152	-3,022	-5,455	-2,796	0	-8,251
Other operating expenses	-1,247	-3,746	-3,211	-8,204	-8,609	2,219	-14,594
EBITDA	**3,138**	**3,399**	**118**	**6,655**	**2,312**	**-481**	**8,486**
Depreciation and amortisation	-464	-1,995	-721	-3,180	-649	434	-3,395
EBIT	**2,674**	**1,404**	**-603**	**3,475**	**1,663**	**-47**	**5,091**
Financial result*	**76**	**-656**	**-327**	**-907**	**3,049**	**-2,088**	**54**
Other financial result	76	-656	-327	-907	3,049	-2,088	54
Income tax	19	-504	0	-485	-903	0	-1,388
Result from continuing operations	**2,769**	**244**	**-930**	**2,083**	**3,809**	**-2,135**	**3,757**
Of which attributable to minority interest	0	7	-23	-16	623	0	607
Segment result/Group result from continuing operations	**2,769**	**237**	**-907**	**2,099**	**3,186**	**-2,135**	**3,150**
Result from discontinued operations							**155,644**
Of which attributable to minority interest							-193
Of which attributable to group result from discontinued operations							155,837

*Before profit transfer

In accordance with the standards set out under IFRS 8 Operating Segments, 3U HOLDING AG's segment reporting applies the management approach regarding segment identification.

The information regularly made available to the Management Board and the Supervisory Board is therefore regarded as definitive for the segment presentation.

According to internal reporting, 3U covers the segments ITC, Renewable Energies, SHAC as well as other activities and reconciliation to the Group in its segment reporting.

The ITC segment comprises the activities of Voice Retail, Voice Business and Data Center & Managed Services, along with trading in IT licensing. In the reporting year, the proprietary portfolio was supplemented by adding innovative solutions in telecommunications and information technology, along with customised Managed Services specifically targeting SMB customers.

In the Renewable Energies segment the 3U Group essentially covers the wind power project development and electricity generation with its own plants harnessing wind and solar energy.

The sale and distribution of products from sanitary, heating and air conditioning systems to wholesalers, tradespeople and DIYers form part of the SHAC segment. Distribution is mainly carried out via the Group's online stores.

Besides the aforementioned segments, the other activities, as well as the necessary Group consolidating entries, are summarised under Other Activities/Consolidation and shown separately as reconciliation. The Other activities item also included the building of an office property in Würzburg in the previous year as part of a property development project (deconsolidated as of 1 September 2022).

Segment reporting follows intra-segment consolidation, while inter-segment consolidation occurs in the scope of reconciliation with the Group's figures.

Upon divesting the shares in weclapp SE and its subsidiaries, as well as the deconsolidation of operations as of 30 September 2022, the accounting standards pursuant to IFRS 5 regarding discontinued operations have been observed. Reference is made to the explanations under Note 1. Segment reporting in the financial year, as well as in the previous year, was adjusted in line with the continuing operations. The acquired companies of cs communication systems GmbH and cs network GmbH telecommunication services have been allocated to the ITC segment. Atrium 270. Europäische VV SE is a company belonging to the SHAC segment.

A detailed description of the segments and the development is available in the combined management report in the business performance presentation.

The Management Board of 3U defines segment revenue generated by inter-segment sales, EBITDA and the segment result before profit transfer as the key performance indicators of a segment's business success as it considers these indicators crucial to a segment's success. Revenue as disclosed under the Intercompany revenue item (intra-segment revenue) was realised within the same segment. It should be noted that income taxes – to the extent affiliation relationships with the 3U HOLDING AG exist – are borne by 3U HOLDING AG as the parent company.

The 3U Group's cash flow data was as follows:

Cash flow data 2023 (kEUR)	ITC	Renewable Energies	SHAC	Other Activities/ reconci-liation	Total
Cash flow from operating activities	-85	2,696	-226	-1,920	465
Cash flow from investing activities	-2,930	-39	232	-5,009	-7,746
Cash flow from financing activities	-475	-649	-579	-125,306	-127,009

Cash flow data 2022 (kEUR)	ITC	Renewable Energies	SHAC	Other Activities/ reconci-liation	Total
Cash flow from operating activities	1,109	4,412	1,174	12,544	19,239
Cash flow from investing activities	300	-200	-90	-21,959	-21,949
Cash flow from financing activities	-423	-2,716	-573	24,819	21,107

For the purposes of monitoring profitability and allocating resources between the segments, the Management Board scrutinizes the financial assets allocated to the individual segment. Cash and cash equivalents are not allocated to any segment nor to Other Activities.

3U Group – Assets (kEUR)	ITC	Renew-able Energies	SHAC	Other Activities/ reconciliation	Total	Assets not allocated	Total consolidated assets
As of 31/12/2023	14,806	19,018	17,321	12,751	**63,896**	55,412	**119,308**
As of 31/12/2022	10,267	20,384	17,965	5,285	**53,901**	189,702	**243,603**

3U Group – Liabilities (kEUR)	ITC	Renew-able Energies	SHAC	Other Activities/ reconciliation	Total	Reconcilia-tion*	Total consolidated liabilities/ shareholder's equity
As of 31/12/2023	8,948	29,623	17,287	-26,098	**29,760**	89,548	**119,308**
As of 31/12/2022	6,017	29,759	18,443	-21,788	**32,431**	211,172	**243,603**

*Equity/shares of minority interest

Uniform Group accounting policies and methods of calculation were applied to the segment report. Services between segments are subject to the arm's length principle and calculated using uniform Group pricing models. The cost plus method is essentially applied. Administrative services are calculated as cost allocations.

Non-current assets with a book value of kEUR 2 (previous year: kEUR 2) were located abroad 2023.

(kEUR)	Depreciation and amortisation		Investments	
	2023	2022	2023	2022
ITC	530	464	201	163
Renewable Energies	2,039	1,995	39	200
SHAC	741	721	103	92
Other Activities/Reconciliation	284	215	4,727	7,927
Total	**3,594**	**3,395**	**5,070**	**8,382**

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Revenue from core services

(kEUR)	2023	2022
Business lines within the ITC segment		
Voice Retail	1,359	1,632
Voice Business Customer	8,248	7,223
Managed Services	5,731	3,285
Total ITC segment	**15,338**	**12,140**
Areas within the Renewable Energies segment		
Wind	6,108	4,757
Photovoltaics	1,950	2,437
Other	0	9
Total Renewable Energies segment	**8,058**	**7,203**
Areas within the SHAC segment		
Sanitary, heating and air conditioning technologies	29,627	31,511
Total SHAC segment	**29,627**	**31,511**
Other activities	**1,907**	**1,886**
Reconciliation	**-2,578**	**-2,421**
Total Group	**52,352**	**50,319**

The 3U Group achieved a share in revenue of kEUR 6,020 (11.5 %) through its largest customer in the Renewable Energies segment in the financial year elapsed. In the previous year, the largest customer also originated from the Renewable Energies segment and contributed a share of kEUR 3,627 (7.2 %) to revenue.

Geographical distribution of revenue

(kEUR)	2023	2022
ITC	**15,338**	**12,140**
Of which domestic	13,027	9,826
Of which foreign	2,311	2,314
Renewable Energies	**8,058**	**7,203**
Of which domestic	8,058	7,203
Of which foreign	0	0
SHAC	**29,627**	**31,511**
Of which domestic	27,204	28,872
Of which foreign	2,423	2,639

The assignment to domestic and foreign was carried out according to the place of delivery or other service.

Sales abroad were mainly achieved in the countries listed below:

(kEUR)	2023	2022
Austria	1,987	2,186
Ireland	856	897
Switzerland	403	626
Netherlands	279	101
Italy	225	144
Belgium	213	127

5 Notes to the consolidated income statement

If otherwise not indicated, the previous year's disclosures pertain to continuing operations

5.1 Revenue

Revenue generated from activities as a provider of telecommunications are reported without sales tax and net of discounts granted. Income is recognised by way of invoicing after telecommunications services have been rendered. The income from the IT licences provided or traded is calculated in advance and deferred over the period of performance. Revenue from the telephony project business was recognised in accordance with revenue recognition over time specified under IFRS 15. Revenue from the telephony project business amounting to kEUR 513 and not yet realised as of 31 December 2023 will likely be realised within 12 months.

In the Renewable Energies segment, income from energy generation and feed-in is recorded by billing after the respective service has been provided.

In the SHAC segment, sales from the marketing of components from the sanitary, heating and air conditioning sector, as well as other products, and after deduction of discounts granted, are reported without VAT. Revenue is recognised through invoicing after the services have been rendered.

The proceeds from the leasing of property are recognised on a monthly basis at the beginning of the month.

The consolidated third-party revenue is comprised of the segments featured in the segment report.

Distribution of revenue

(kEUR)	2023	2022
Services	**13,215**	**11,257**
Telecommunication services/DCS/operation	12,461	11,248
Assembly and Installation services	291	0
Usage fees	61	0
Hardware and software maintenance	360	0
Other	42	9
Sale of goods	**39,808**	**39,597**
Energy and photovoltaics	8,057	7,194
Sanitary, heating and air conditioning technologies	29,627	31,511
IT licences	930	892
Hardware and software sales	1,194	0
Other Activities	**1,907**	**1,886**
Reconciliation	**-2,578**	**-2,421**
Total continuing Activities	**52,352**	**50,319**

5.2 Other operating income

Income breaks down as follows:

(kEUR)	2023	2022
Expense allowances for information pursuant to the Telecommunications Surveillance Ordinance (TKÜV)	1,053	1,036
Income from the reversal of provisions / provisions with liability characteristics	418	261
Income from rentals	328	254
Income from other accounting periods	240	106
Insurance compensation	80	11
Income from the reduction of allowances	27	14
Income from asset disposals	1	3
Developer revenue InnoHubs office building	0	9,184
Income from deconsolidation	0	2,171
Other income	280	178
Total	**2,427**	**13,218**

In the financial year 2023, Other operating income essentially comprises compensation, income from the reversal of provisions, rentals and out-of-period income. In the financial year 2022, proceeds from the sale of InnoHubs GmbH were disclosed under other income and reported in an amount of deconsolidation gains totalling kEUR 2,171.

5.3 Changes in inventory

As in the previous year, the positive change in inventories of kEUR 416 (previous year: kEUR 386) principally results from wind farm project development.

5.4 Own work capitalised

Own work capitalised amounts to kEUR 44 (previous year: kEUR 0).

5.5 Cost of materials

The cost of materials mainly comprises the cost of connection services and network costs as well as the cost of raw materials and merchandise and the cost of services purchased in the SHAC segment:

(kEUR)	2023	2022
Cost of goods	25,034	25,530
Connection services	3,558	3,026
Expenses for purchased services	2,778	2,175
Network costs	894	904
Expenses IT licences trade	688	673
Project performance in renewable energies	230	272
Costs of interconnection	12	12
Total	**33,194**	**32,592**

5.6 Personnel expenses

Personnel expenses break down as follows:

(kEUR)	2023	2022
Salaries and wages	7,005	6,477
Social security contributions	1,811	1,223
Other personnel expenses	402	551
Total	**9,218**	**8,251**

In the previous year, Other personnel expenses included expenses of kEUR 134 relating to the 2018 Share Option Plan. For the 2018 Share Option Plan, kEUR 10 were recognised in personnel expenses in the financial year 2023.

The average number of employees (head count) stood at:

Segment	2023	2022
ITC	54	38
Renewable Energies	5	4
SHAC	69	64
Holding	32	33
Total	**159**	**139**

In addition to employer contributions to statutory pension insurance, unemployment insurance and health insurance, the social contributions also include expenses for compensation contributions and contributions to the employer's liability insurance association. Expenses for employers' payments to the statutory pension insurance amounted to kEUR 658 (previous year: kEUR 551). No defined benefit commitments were made.

5.7 Other operating expenses

Other operating expenses include the following items:

(kEUR)	2023	2022
Maintenance	1,464	1,412
Advertising and hospitality expenses	1,063	831
Sales commissions/brokerage fees	688	799
Year-end closing and audit costs	542	313
Premises expenses/rental expenses	540	368
Other consulting costs	472	491
Travel and vehicle expenses	374	224
Incidental costs of monetary transactions	301	304
Insurances	287	215
Telephone/shipping costs	282	273
Costs for software, licences, trademarks and similar rights	251	242
External services/third party work	150	110
Technical consultancy costs	137	148
Expenses for short-term leases and leased assets of minor value	120	116
Amortization of project development costs	94	1,592
Value adjustments to receivables	87	21
Legal advice and court costs	78	19
Supervisory Board remuneration, incl. travel expenses	76	194
Contributions, fees and donations	75	57
Property development construction costs	0	6,179
Other operating expenses*	513	686
Total	**7,594**	**14,594**

*Other operating expenses include expenses of kEUR 0 (previous year: kEUR 5) from currency translation.

5.8 Depreciation and amortisation

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to kEUR 2,863 (previous year: kEUR 2,785).

Depreciation of property, plant and equipment largely relates to plants in the Renewable Energies segment. Depreciation and amortisation also include the amortisation of rights of use to be recognised under IFRS 16. The rights of use are generally amortised over their useful life or the term of the contract, whichever is shorter. The amortisation of rights of use amounts to kEUR 691 (previous year: kEUR 610).

Write-downs of investment property amounted to kEUR 40 (previous year: kEUR 0).

5.9 Financial result

This item comprises interest from current and loan accounts. The financial result also includes interest expenses from leasing liabilities in an amount of kEUR 87 (previous year: kEUR 45).

(kEUR)	**2023**	**2022**
Interest and similar income	2,612	538
Income from investments	3	3
Interest income	**2,615**	**541**
Interest expenses for financial liabilities	-402	-436
Interest expenses for leasing liabilities	-87	-45
Other interest and similar expenses	-77	-2
Interest expenses	**-566**	**-483**
Write-downs of financial assets	**0**	**-4**
Total	**2,049**	**54**

5.10 Income taxes

Income tax includes both taxes paid or owed on income and deferred taxes.

(kEUR)	2023	2022
Current income tax expenses	608	667
Deferred taxes	-19	721
Total	**589**	**1,388**

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the financial year 2023, profit was subject to corporation tax of 15 % plus a 5.5 % solidarity surcharge. In 2023, trade tax in Marburg was 12.495 % of trade income (previous year: 12.495 %). The income tax rate for the Group (parent company) stood at 28.32 % (previous year: 28.32 %).

The tax rate applied to foreign companies is 25 % for Austria (previous year: 25 %).

Effective 1 January 2005, 3U HOLDING AG concluded profit and loss transfer agreements with LineCall Telecom GmbH and fon4U Telecom GmbH. The profit and loss transfer agreements were approved in the Extraordinary General Meeting of 15 November 2005 and entered into the commercial register in December 2005.

Effective 1 January 2007, 3U HOLDING AG as the controlling company entered into a control and profit and loss transfer agreement with 3U TELECOM GmbH, 010017 Telecom GmbH and Discount Telecom S&V GmbH. Following approval by the Annual General Meeting, these profit and loss transfer agreements were recorded in the commercial register at the end of 2007.

The profit and loss transfer agreements were adjusted in accordance with the tax requirements in 2014 and entered into the commercial register at the end of 2014.

Effective 1 January 2015, 3U ENERGY AG as the controlling company concluded a control and profit and loss transfer agreement with 3U ENERGY PE GmbH. Following approval by the Annual General Meeting of 3U ENERGY AG this profit and loss transfer agreement was entered into the commercial register at the end of 2015.

Effective 1 January 2016, 3U HOLDING AG as the controlling company concluded a profit and loss transfer agreement with Selfio GmbH. Following approval by the Annual General Meeting of 3U HOLDING AG, this profit and loss transfer agreement was entered into the commercial register at the end of 2016.

Effective 1 January 2017, 3U HOLDING AG as the controlling company concluded a profit and loss transfer agreement with PELIA Gebäudesysteme GmbH. Following approval by the Annual General Meeting of 3U HOLDING AG, this profit and loss transfer agreement was entered into the commercial register in mid-2017..

In accordance with IAS 12.81, the following overview comprises an offsetting and reconciliation of tax expenses resulting from the calculation using German tax rates on earnings before taxes and the actual tax expenses reported in these annual financial statements:

Reconciliation	**2023 kEUR**	**2023 %**	**2022 kEUR**	**2022 %**
Earnings before taxes	3,688	100.0	5,145	100.0
Income tax rate (28.32 %; previous year: 29.825 %)				
Calculated tax income/expenses	1,044	28.3	1,457	28.3
Non-deductible expenses / tax-exempt income	33	0.9	140	2.7
Effects of allowance of deferred taxes / non-inclusion of deferred taxes from loss carry forwards	39	1.1	383	7.5
Use of tax loss carryforwards, in the previous year no recording	-355	-9.6	0	0.0
Effect of tax rate differences of foreign tax jurisdictions	6	0.2	0	0.0
Deviations due to different trade tax collection rates	6	0.2	8	0.2
Effects from deconsolidation	69	1.9	-615	-12.0
Aperiodic tax effects	-220	-6.0	60	1.2
Other	-33	-0.9	-45	-0.9
Effective tax expenses	**589**	**16.0**	**1,388**	**27.0**

5.11 Earnings per share

Earnings per share correspond to the profit attributable to 3U HOLDING AG's ordinary shareholders, respectively the profit (after taxes) divided by the weighted average number of shares outstanding during the financial year. The calculation of earnings per share is based on the following data:

(kEUR)	2023	2022
Basis for the earnings per share (share in net profit attributable to the shareholders of the parent company in kEUR)	2,552	3,150
Number of ordinary shares issued (ex treasury shares)		
As of 1 January	35,829,682	35,314,016
As of 31 December	36,813,014	35,829,682
Weighted average number of ordinary shares for basic earnings	36,220,252	35,338,716
Effect of dilutive potential of ordinary shares:*		
Options issued as at 31 December	1,106,332	1,652,998
Weighted number of dilutive options	287,916	1,994,624
Weighted average number of ordinary shares for diluted earnings	36,508,168	37,333,340
Earnings per share, basic (in EUR)	**0.07**	**0.09**
Earnings per share, diluted (in EUR)	**0.07**	**0.08**

*Of a total of 2,771,998 share options issued under this scheme, 1,154,000 share options had expired as of the balance sheet date (31 December 2023) and 983,332 share options had been exercised. The number of allocated but not yet exercised share options under the 2018 Share Option Plan stood at 119,000 units as of 31 December 2023

5.12 Discontinued operations

By way of agreement dated 3 September 2022, effective 30 September 2022, the Group sold all its shares (26,294,944 shares, 70.95 % of the share capital) in weclapp SE. The Group relinquished control over weclapp SE and its subsidiaries on 30 September 2022. Accordingly, the companies were deconsolidated as of this date. Upon divesting the shares in weclapp SE and its subsidiaries, as well deconsolidating the operations, the accounting standards pursuant to IFRS 5 regarding discontinued operations were met.

In the financial year 2022, the results from these discontinued operations were achieved as shown below:

(kEUR)	2022
Revenue	12,336
Other income	162,478
Other own work capitalized	839
Cost of materials	-352
Gross profit	175,301
Personnel expenses	-11,345
Other operating expenses	-6,850
EBITDA	157,106
Depreciation and amortisation	-1,111
EBIT	155,995
Financial result	-168
EBT	155,827
Income taxes	-183
Net income	155,644
Attributable to minority interest	-193
Attributable to the group	155,837
Earnings per share from discontinued operations (basic) (EUR)	4.41
Earnings per share from discontinued operations (diluted) (EUR)	4.18

6 Notes to the consolidated statement of financial position

6.1 Fixed assets

The development of individual non-current items and depreciation, amortisation and impairment in the current financial year are presented separately in the consolidated statement of changes in non-current assets (Notes 6.14.1 and 6.14.2).

6.1.1 Intangible assets

The carrying amounts of intangible assets are as follows:

(kEUR)	31/12/2023	31/12/2022
Self-created industrial property rights and similar rights and assets	0	0
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	2,172	1,722
Goodwill	3,321	603
Advance payments	8	0
Total	**5,501**	**2,325**

The intangible assets acquired against payment are valued at acquisition cost less accumulated amortisation using the straight-line method. These relate primarily to rights to properties and software licences for transmission and IT technology. We refer to the amortisation in the income statement. Usage rights for land are amortised over the contractually agreed term.

As part of the acquisition of the "Online shop" cash-generating unit, goodwill amounting to kEUR 170 was determined. This is assigned to the SHAC segment. Similarly, goodwill of kEUR 411 was revealed in the context of acquiring Aufwind & ORBIS Havelland GmbH & Co. KG along with Aufwind & ORBIS Havell und Verwaltungs-GmbH (after accretion of 3U ENERGY PE GmbH). The purchase of Windpark Langendorf GmbH & Co. KG, the general partner GmbH, together with Repowering Sachsen-Anhalt GmbH resulted in goodwill of kEUR 22. All instances of goodwill were allocated to the Renewable Energies segment. In the context of the acquisition of cs communication systems GmbH in the financial year 2023, goodwill of kEUR 2,717 was determined. In addition, hidden reserves for the company brand (kEUR 361), customer relationships (kEUR 286) and orders on hand (kEUR 115) were identified.

Impairment tests were carried out on the following cash-generating units in the financial year 2023, as was the case for the first three in the previous year: "Online shop", project development (3U ENERGY PE GmbH) and the generating of wind energy (Windpark Langendorf GmbH & Co. KG), as well as on innovative solutions in the field of telecommunications and information technology (cs communication systems GmbH).

In the financial year 2023, the value in use determined in the context of the impairment tests exceeded the carrying amounts of the cash-generating units in all cases so that no impairment of goodwill in the financial year 2023 was recognised.

Acquiring cs communication systems GmbH in August 2023 resulted in goodwill of kEUR 2,717. Within the scope of impairment testing as of 31 December 2023, the value in use was ascertained in accordance with generally accepted valuation procedures for the purpose of determining the recoverable amount of the "cs communication systems" CGU. The valuation is based on the medium-term planning approved by the Supervisory Board. Calculations underlying the impairment test are based on the three planning years of the medium-term planning, plus two further detailed planning years. With regard to the "cs communication systems" CGU, growth in total output (operating performance) was assumed at 0 % as from 2025, along with a steady EBITDA margin. No further sustainable growth rates were anticipated for cash flows beyond the detailed planning period. A pre-tax discount factor of 5.35 % was applied for discounting purposes. Testing goodwill for impairment in the financial year 2023 did not reveal any need to recognise impairment under IAS 36.

The "project development" CGU has been assigned goodwill of kEUR 411. The calculation of the recoverable amount in the form of the value in use was based on the CGU's limited useful life which is presumed to end in 2028 upon realisation of the project pipeline. Cash flow planning of the five-year period is based on the offers received for individual wind farm projects as well as on the expected sales prices of other project developers and the expected target return of investment funds and infrastructure investors, along with the average return expectations of wind farm investors derived therefrom. While the general assumption is that the necessary approvals will be granted for the planned wind farm projects, project developments are assessed with a probability of realization depending on the progress made in the planning and approval processes. In calculating the value in use as of 31 December 2023, a weighted average cost of capital (WACC) of 18.94 % (previous year: 19.25 %) was applied. Testing goodwill for impairment in the financial year 2023 did not reveal any need to recognise impairment under IAS 36.

The goodwill totalling EUR 0.2 million assigned to the "online shop" and "Langendorf Wind Farm" CGUs is not significant when compared with the entire carrying amount of the Group's goodwill.

Changes in key assumptions may generally have a significant impact on the respective values. As part of the sensitivity analysis, changes in the cost of capital as well as changes in the expected feed-in tariff in the context of WF project developments which have a direct impact on the achievable sales revenues were assumed. The sensitivity analysis also revealed that the recoverable amounts of the cash-generating units exceed the carrying amount respectively.

An impairment test was carried out as of the balance sheet date in accordance with IAS 36.12 as the carrying value of the Group's net assets exceeded the company's market capitalisation following the sale of weclapp SE in the financial year 2022. In calculating the value in use as of 31 December 2023, a weighted average cost of capital (WACC) of 8.60 % (previous year: 9.79 %) was applied. Moreover, unlimited economic useful life was assumed. A value in use which exceeded the Group's book value was calculated as part of the impairment test. Consequently, no impairment of the assets was recognised in the financial year.

6.1.2 Property, plant and equipment

Please refer to the consolidated statement of changes in non-current assets for the carrying amounts of property, plant and equipment.

The disclosure under land and buildings essentially pertains to the logistics hub completed in the financial year 2021. The technical facilities of the Adelebsen solar park and of the wind farms are essentially reported as technical equipment and machinery.

In the previous year, disclosure under assets under construction relates to the building of an office property in Würzburg and, in this context, part of the building for which no purchase agreements for the sale of some office space have been concluded. This space was deconsolidated through the sale of InnoHubs GmbH in the financial year 2022.

6.1.3 Rights of use and lease liabilities

In accordance with IFRS 16, rights of use in the context of leases amounting to kEUR 2,818 were reported under non-current assets as of 31 December 2023 (previous year: kEUR 2,585). Rights of use were mainly recognised for leases in which the 3U Group as the lessee has concluded agreements for vehicle leasing and leasing of technical office equipment as well as rent for buildings and wind farm areas. There are extension options for the wind farm areas. There are no other extension or purchase options. These relate to rights of use to land and buildings amounting to kEUR 2,360 (previous year: kEUR 2,355) and rights of use to other equipment, furniture and fixtures amounting to kEUR 458 (previous year: kEUR 230).

As of 31 December 2023, non-current lease liabilities of kEUR 2,223 (previous year: kEUR 2,292) and current lease liabilities of kEUR 847 (previous year: kEUR 641) are reported. XXX

In accordance with IFRS 16.6, lease liabilities for short-term leases and for leases for an asset of minor value are not recognised as lease liabilities but as current expenses. Expenses for short-term leases amount to kEUR 168 in the 2023 financial year (previous year: kEUR 169). Leases for an asset of low value incurred expenses of kEUR 38 in the 2023 financial year (previous year: kEUR 33).

Expenses of variable lease payments not included in the measurement of the lease liability amount to kEUR 160 in the 2023 financial year (previous year: kEUR 79).

Cash outflows for leases which were recognised as lease liabilities and those which were not recognised as current leases or as leases for a low-value asset amounted to kEUR 1,169 in the financial year 2023 (previous year: kEUR 1,103).

6.1.4 Investment property

Real estate not used for operations or only used to a minor extent are essentially reported under Investment property.

In the financial year 2023, office premises were purchased in Würzburg for subsequent letting and disclosed under investment property as of 31 December 2023. The office space acquired in the financial year 2023 has not yet been let. As per 31 December 2022, 3U HOLDING AG did not have any investment properties.

The lease and rental income from investment property stood at kEUR 0 in the financial year 2023 (previous year: kEUR 0). Operating expenses incurred by the investment property in the financial you 2023 amounted to kEUR 60 (previous year: kEUR 0). Of this amount kEUR 0 (previous year: kEUR 0) is assigned to leased investment property and kEUR 60 (previous year: kEUR 0) to real estate which did not produce any rental income in the financial year 2023.

Investment property is generally measured at amortised cost. Details are shown in the development of the Group's fixed assets.

The fair value of this investment property amounted to approximately kEUR 3,600 as of 31 December 2023. No subsequent acquisition costs were incurred in the year under review (previous year: kEUR 0).

The fair value (fair value hierarchy Level 3) for the investment property in Würzburg was determined based on the discounted cash flow method by an independent appraiser (certified expert for property valuation). The following assumptions were made:

Return on land value/property rate	5.1 %
Management costs	approx. 14 %
Residual life	60 years
Exempt standard land value	240 EUR/m^2

6.1.5 Investments and other non-current assets

Investments accounted for using the equity method

Consequently, as with year-end 2022, no financial assets were accounted for using the equity method in the 3U Group as of 31 December 2023.

Other financial assets

Other financial assets include the project shelf companies in the area of wind farm project development as well as other companies whose influence on the Group's net assets, financial position and results of operations is of minor importance, both individually and collectively.

6.2 Deferred taxes

Deferred taxes are calculated after accounting for temporary differences under the liability method in accordance with IAS 12.

3U HOLDING AG utilises the netting option provided for by IAS 12 whereby deferred tax assets and liabilities are reported net if they relate to the same tax authority (for the relevant taxable entity). In the reporting year, deferred tax liabilities were offset against deferred tax assets on loss carryforwards in an amount of kEUR 1,382 (previous year: kEUR 1,328).

The deferred tax assets and liabilities as of the balance sheet date are as follows:

Deferred taxes (kEUR)	**31/12/2023**		**31/12/2022**	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Intangible assets	45	-323	52	-174
Property, plant and equipment	0	-814	0	-1,023
Rights of use	0	-401	0	-323
Inventory	153	-163	0	-163
Other assets	227	-379	234	-221
Provisions	0	-30	0	-37
Liabilities	427	-12	348	-12
Loss carry forwards	1,067	0	1,326	0
Subtotal	**1,919**	**-2,122**	**1,960**	**-1,953**
Netting	-1,382	1,382	-1,328	1,328
Total	**537**	**-740**	**632**	**-625**

Under the local tax provisions, loss carryforwards with no expiry date for which no deferred tax assets were reported in the consolidated statement of financial position totalled kEUR 19,451 (previous year: kEUR 20,022) for corporate tax and kEUR 24,292 (previous year: kEUR 22,674) for trade tax and essentially relate to the loss carryforwards for companies under development or inactive companies and at 3U HOLDING AG.

As of the balance sheet date, taxable temporary differences associated with subsidiaries existed in an amount of kEUR 394 (previous year: kEUR 315) on which no deferred taxes have been accrued since neither sale nor profit distributions are planned.

Deferred taxes of kEUR 395 (previous year: kEUR 465) were recognised in the group of companies of 3U ENERGY AG in 2023 whose realisation depends on future taxable earnings which are higher than the earnings effects from the reversal of existing deferred tax liabilities.

6.3 Inventories

Inventories consist of the following:

(kEUR)	31/12/2023	31/12/2022
Raw materials and supplies	259	541
Work in progress	3,709	3,222
Finished goods and merchandise	9,739	7,017
Total	**13,707**	**10,780**

Inventories amounting to kEUR 0 (previous year: kEUR 0) were recognised at the net realisable value. Write-ups did not take place, neither in 2023 nor in 2022.

Work in progress includes the Group's wind farm project developments. Similar to the year-earlier reporting date, there were no security assignments as of 31 December 2023.

6.4 Trade receivables and contract assets

6.4.1 Trade receivables

Trade receivables consist of the following:

(kEUR)	31/12/2023	31/12/2022
Trade receivables before valuation allowances	4,420	4,019
Valuation allowances	-487	-418
Total	**3,933**	**3,601**

Trade receivables include receivables from affiliated companies which were not consolidated or companies with which 3U has an associated ownership structure, as follows:

(kEUR)	31/12/2023	31/12/2022
Other receivables	180	116
Valuation allowances	0	0
Total	**180**	**116**

Uniform valuation allowances are recognised within the Group for the receivables depending on the age structure of the receivables.

The Group generally writes off trade receivables in full if they have been outstanding for more than one year or where a debt collection agency has stated that they are unrecoverable or where default is most likely assumed.

The procedure is supported by past experience which indicates that no payment can generally be expected if trade receivables have been outstanding for more than one year.

In determining the value of trade receivables, account is taken of every change in creditworthiness from the time the credit period was granted until the balance sheet date. No significant credit risk clusters exist since the customer base is wide with regard to non-impaired receivables. Accordingly, the Management Board is convinced that no provisions above and beyond the impairment charges already recognised are required.

The impairment charges include individual write-downs of trade receivables of kEUR 487 (previous year: kEUR 418) due from debtors against which insolvency proceedings have been opened and where receivables are older than one year and default is deemed highly probable. The recognised impairment is the result of the difference between the carrying amount of the receivable and the present value of the anticipated liquidation proceeds.

The carrying amount of trade receivables is the fair value.

The Group's most important financial assets consist of bank balances and cash in hand, trade and other receivables. The Group's default risk mainly results from trade receivables. The amounts of the statement of financial position include the valuation allowance for expected uncollectible receivables based on management experience and estimations of the company's current economic environment. The default risk regarding cash and cash equivalents is limited as these are held primarily by banks which have high credit ratings from international rating agencies.

6.4.2 Contract assets

As of 31 December 2023, contract assets amounted to kEUR 513. These contract assets resulted from the project business of cs communication systems GmbH, a company acquired in the financial year. Given the customer structure and based on past experience, no valuation allowances were recognised.

6.5 Other current assets and receivables from income tax refunds

These break down as follows:

(kEUR)	31/12/2023	31/12/2022
Receivables from tax refunds	1,206	407
Advance payments	610	444
Other	4,280	4,521
Total	**6,096**	**5,372**

Current income tax assets of kEUR 1,206 (previous year: kEUR 358) are included in receivables from tax refunds.

3U HOLDING AG's gold holdings of kEUR 2,981 (previous year: kEUR 2,981) are disclosed under Other. As of 31 December 2023, this item did not comprise any receivables from employees of the 3U Group (previous year: kEUR 642).

The carrying amount of other assets corresponds to their fair value.

Reference is made to Note 8.2 for information on default risk.

6.6 Cash and cash equivalents

The cash and cash equivalent position comprises cash and short-term deposits with an original term of three months or less. The carrying amount of these assets is their fair value.

Reference is made to Section 8.2 for information on default risk.

6.7 Equity

6.7.1 Subscribed capital

Owing to the share options exercised in the financial year 2023, issued share capital increased by 983,332 shares to 36,813,014 no-par value bearer shares (previous year: 35,829,682) with a nominal value of EUR 1.00 per share. The total share capital is fully paid up.

The Group only has one class of shares. These shares do not grant entitlement to a fixed profit participation. Each share confers one vote at the Annual General Meeting and is decisive for the share of the shareholders in consolidated profit. Treasury shares held by the Group and from which the Group derives no rights form an exception. The rights and obligations of the shareholders are set out in detail under the provisions of the German Stock Corporation Act (AktG), in particular Sections 12, 53a et. seq., 118 et. seq. and 186.

Authorised Capital

By way of resolution of the Annual General Meeting on 20 May 2021, the Authorised Capital 2019 was cancelled when the new Authorised Capital came into effect and new Authorised Capital 2021 was created through to 19 May 2026 in an amount of up to EUR 7,062,803.00 against cash and/or non-cash contributions, with an option to exclude subscription rights.

Contingent Capital

The company has Contingent Capital of EUR 2,032,403 (previous year: EUR 3,015,735.00). By way of resolution passed by the Annual General Meeting of 25 May 2016 and 3 May 2018, the company's share capital was conditionally raised by up to EUR 3,531,401.00. The Contingent Capital was established to grant subscription rights to members of the Management Board, executives and employees of the company and the Group. As part of the 2018 Share option plan, a total of 2,771,998 share options were issued in the context the resolution dated 6 December 2018; by the reporting date on 31 December 2023, 1,154,000 options had expired and 983,332 as well as 515,666 share options had been exercised in the financial years 2023 and 2022 respectively. Each option right entitles the holder to purchase a share in the company at an exercise price of EUR 1.24 per share. The option rights may be exercised for the first time after a lock-up period of four years within eight years, beginning on the date of the issuance.

Reserves

As at 31 December 2023, the Group recognised a capital reserve of kEUR 7,708 (previous year: kEUR 12,201) and retained earnings of kEUR 36,935 (previous year: kEUR –849). The increase resulted from the netting out of additions and withdrawals from 3U HOLDING AG's retained earnings. In connection with the acquisition of minority interest, retained earnings developed negatively in previous years.

The capital reserve of kEUR 7,708 (previous year: kEUR 12,201) includes the premium over the nominal amount from the issuing of shares in 3U HOLDING AG in an amount of kEUR 23,313 (previous year: kEUR 23,089). The 2018 Share Option Plan and the share options exercised in 2023 resulted in an increase in the capital reserve of kEUR 224. Running counter to this, the capital reserve declined by kEUR –4,717 in the context of acquiring treasury shares.

Treasury shares

The Group has treasury shares numbering 3,240,665 from the share buyback programme which ended on 1 November 2023. These shares can be used for all purposes according to the authorisation given by way of resolution of the Annual General Meeting.

As of 31 December 2022, the Group did not have any treasury shares.

Dividend payments

Dividend of EUR 3.20 was paid out for the financial year 2022 (previous year: EUR 0.05) for each share entitled to profit participation (total: kEUR 117,441; previous year: kEUR 1,766 in total). For the financial year 2023, the Management Board and the Supervisory Board propose to distribute EUR 0.05 per share entitled to profit participation. In accordance with this proposal, dividend payment in its entirety was calculated at kEUR 1,679 on the basis of 33,572,349 shares forming part of the share capital.

6.7.2 Share buyback programme

Based on the authorisation passed by the Annual General Meeting on 15 May 2023, 3U HOLDING AG's Management Board took the decision on 22 September 2023 to buy back up to 3,670,051 shares of the company (corresponding to up to 10 % of the company's share capital registered on the date of the resolution) in the period from 1 May 2013 by way of a voluntary public share buyback offer at a price of EUR 2.45 per share. Upon the expiry of the acceptance period on 1 November 2023 (24:00 CET) a total of 3,240,665 shares had been offered to the Group for repurchasing, which corresponds to 88.3 % of the maximum buyback volume.

6.7.3 Employee participation programme

2018 Share Option Plan

The 2018 Share Option Plan features the following key elements:

Beneficiaries are:

Group 1: Members of the company's Management Board

Group 2: The company's authorised representatives and members of the management in affiliated companies in Germany and abroad (Section 15 AktG)

Group 3: Employees of the company in key positions at the first management tier below the Management Board and other employees of the company

Group 4: Employees of German and international affiliated companies (Section 15 AktG) in key positions on the first management tier below the senior management team and other employees of German and international affiliated companies (Section 15 AktG)

A total of 2,771,998 share options had been issued under the 2018 Share Option Plan as of 31 December 2022. The allocation to the individual groups is as follows:

Group	Share options issued	Maximum number of share options to be issued
Group 1:	499,998	500,000
Group 2:	1,400,000	1,900,000
Group 3:	272,000	350,000
Group 4:	600,000	781,401
Total	**2,771,998**	**3,531,401**

The option rights under the 2018 Share Option Plan may be exercised within eight years from the date of the issue of the option after the vesting period, starting with day on which the options are issued and for the first time as from December 2022.

The option rights may not be exercised in the period between the tenth day of the last month in a quarter and the day of the subsequent announcement of the (provisional) quarterly results, 1 January of each year and the day of the subsequent announcement of the (provisional) annual results, along with the tenth day of the month before the announcement of the notification convening the company's Annual General Meeting and the day of the Annual General Meeting. The option rights are not transferable.

Each option right entitles the holder to purchase one share in the company at the exercise price. The exercise price for the option rights corresponds to the average price of the closing prices of the share on the 15 trading days prior to the launch of the share option programme on 6 December 2018 in an amount of EUR 1.03, plus a premium of 20 % as performance target. The exercise price is therefore EUR 1.24 per share.

The beneficiary may only sell the shares received by exercising the share options subject to the statutory restrictions.

The development of the share options is as follows:

(In units)	2023	2022
As of 1 January	**1,106,332**	**2,165,998**
Expired	4,000	544,000
Exercised	983,332	515,666
As of 31 December	**119,000**	**1,106,332**

6.7.4 Shares of minority interest

The capital shares of minority interest Note: Replace by minority interest amount to kEUR 824 (previous year: kEUR 808).

The capital shares of minority interest Note: Replace by minority interest are distributed across the individual Group companies as follows:

(kEUR)	31/12/2023	31/12/2022
Windpark Roge GmbH & Co. Betriebs-KG	925	906
Windpark Klostermoor GmbH & Co. Betriebs-KG	50	28
Calefa GmbH	-41	-37
samoba GmbH	-110	-89
Total	**824**	**808**

The following key financial figures result for the companies with significant shares of minority interest:

Windpark Roge GmbH & Co. Betriebs-KG

	31/12/2023	31/12/20221
Share in %	49.91	49.91
Revenue in kEUR	2,332	891
EBITDA in kEUR	1,679	380
Assets in kEUR	3,453	2,973
Liabilities in kEUR	1,600	1,157
Total cash flow in kEUR	592	-65
Share in the result attributable to minority interest in kEUR	549	10

An amount of kEUR 531 (previous year: kEUR 199) was distributed to minority interest in the financial year 2023.

Windpark Klostermoor GmbH & Co. Betriebs-KG

	31/12/2023	31/12/20221
Share in %	4.39	4.39
Revenue in kEUR	925	326
EBITDA in kEUR	675	-5
Assets in kEUR	1,705	1,278
Liabilities in kEUR	620	1,204
Total cash flow in kEUR	523	88
Share in the result attributable to minority interest in kEUR	22	-4

An amount of kEUR 0 (previous year: kEUR 7) was distributed to minority interest in the financial year 2023.

samoba GmbH

	31/12/2023	31/12/20221
Share in %	30.00	30.00
Revenue in kEUR	116	255
EBITDA in kEUR	-38	-36
Assets in kEUR	53	53
Liabilities in kEUR	420	350
Total cash flow in kEUR	9	-47
Share in the result attributable to minority interest in kEUR	-21	-18

Calefa GmbH

	31/12/2023	31/12/20221
Share in %	25.00	25.00
Revenue in kEUR	0	0
EBITDA in kEUR	-2	-9
Assets in kEUR	17	19
Liabilities in kEUR	179	167
Total cash flow in kEUR	1	0
Share in the result attributable to minority interest in kEUR	-3	-4

6.8 Financial liabilities and other non-current liabilities

Non-current financial liabilities essentially relate to long-term banking loans which were concluded for the purpose of financing properties, solar parks and wind farms.

In the financial year 2020, a loan agreement was concluded in order to finance the construction of a logistics property in Koblenz. The loan has an overall volume of kEUR 9,500 and is secured through mortgages in the same amount. The entire term of the loan is around 25 years. The loan was used in accordance with the progress made in construction work and was fully drawn down in the financial year 2021. As of 31 December 2023, the loan was valued at kEUR 8,692 (previous year: kEUR 9,030). A further loan of kEUR 248 was taken out to finance the photovoltaic plant installed on the logistics property in Koblenz in 2021. The loan has a term to maturity which ends on 30 June 2041. The loan is secured by way of pledging the photovoltaic plant as collateral and had a carrying amount of kEUR 220 as of 31 December 2023 (previous year: kEUR 229).

In the financial year 2014, the financing of the Adelebsen solar park was called in an amount of kEUR 14,141. The loan runs for 18 years and is secured by way of assigning the claim from the power supply through assignment of the PV system in the specific location and limited personal easements by registration in the land registry. The loan had a carrying amount of kEUR 5,910 as of 31 December 2023 (previous year: kEUR 6,754). In the financial year 2016, the financing of the solar park was increased by the addition of a further loan of kEUR 1,000 with the same maturity date. This loan is secured by the collateral provided for the original loan. The loan had a carrying amount of kEUR 467 as of 31 December 2023 (previous year: kEUR 533). As part of this loan, a credit of kEUR 694 (previous year: kEUR 694) was pledged to a debt service reserve account.

Furthermore, two loans existed as of 31 December, each in the form of a KfW entrepreneur loan in a net loan amount of kEUR 375 and kEUR 90, to finance the takeover of shares in cs communication systems GmbH and cs networks GmbH telecommunication services respectively. The two loans were non-collateralised as of 31 December 2023. The loans amounted to kEUR 271 and kEUR 50 respectively on 31 December 2023. The loans have a term until 30 June 2030 and 30 June 2026 respectively.

An agreement on a promotional loan granted by the KfW in a net amount of kEUR 4,739 was concluded on 24 October 2023 for the purpose of financing the construction of a new office building in Marburg. The credit line was covered by an enforceable encumbrance in the same amount. The loan had not yet been utilised as of 31 December 2023.

Current financial liabilities include the portion of the loan which falls due within one year.

In addition, a credit line of EUR 1.5 million exists which was drawn down as of 31 December 2023 as part of a guarantee facility amounting to kEUR 564 (previous year: kEUR 570). This credit line is secured by time deposits of EUR 1.5 million.

In addition, there is a guarantee credit of kEUR 460 at the Langendorf Wind Farm which was fully utilised within the framework of contract performance guarantees. This guarantee credit is secured through a deposit of overnight money totalling kEUR 460.

Of the loans payable, including interest payments, the following are due and payable on 31 December:

(kEUR)	31/12/2023	31/12/2022
Within a year	1,662	1,633
Between one and five years	6,302	6,226
After five years	8,396	9,668
Total	**16,360**	**17,527**

The loans bear interest of between 1.03 % and 3.63 % p.a. (previous year: between 1.03 % and 3.63 %)

Other non-current liabilities also include the non-current portion of obligations under IT license trading (kEUR 173; previous year: kEUR 399).

6.9 Other current liabilities and current income tax liabilities

These break down as follows:

(kEUR)	31/12/2023	31/12/2022
Purchase price obligations/reimbursement	535	547
Other taxes	390	1,573
Provisions of a liability nature	45	1,268
Personnel obligations	798	1,700
Income taxes	446	808
Other liabilities	1,073	959
Total	**3,287**	**6,855**

The obligation to pay the purchase price pertains to the obligation to remit payment for a subsequent purchase price adjustment from acquiring the wind farm project developments and from amounts withheld in connection with the acquisition of the companies cs communication systems GmbH and cs network GmbH telecommunication services.

Provisions of a liability nature mainly comprise obligations from outstanding invoices.

Other current liabilities also include the current portion of obligations from the sale of IT licenses (kEUR 473; previous year: kEUR 366).

6.10 Provisions

Provisions break down as follows:

(kEUR)	31/12/2023		31/12/2022	
	Current	Non-current	Current	Non-current
Restoration obligations	0	1,481	0	1,453
Litigation risks	20	0	20	0
Other	489	0	555	0
Total	**509**	**1,481**	**575**	**1,453**

The provisions developed as follows:

(kEUR)	As of 01/01/2023	Utilisation	Reversal/ disposal	Accumu- lation	Allocation	Changes in the scope of consoli- dation	As of 31/12/2022
Restoration obligations	1,453	0	22	50	0	0	1,481
Litigation risks	20	0	0	0	0	0	20
Other	555	325	242	0	455	46	489
Total	**2,028**	**325**	**264**	**50**	**455**	**46**	**1,990**

(kEUR)	As of 01/01/2022	Utilisation	Reversal/ disposal	Accumu- lation	Allocation	Changes in the scope of consoli- dation	As of 31/12/2022
Restoration obligations	1,281	6	24	0	202	0	1,453
Litigation risks	20	0	0	0	0	0	20
Other	387	334	0	0	574	-72	555
Total	**1,688**	**340**	**24**	**0**	**776**	**-72**	**2,028**

Provisions for restoration obligations are of a long-term nature and were set up for the restoration of the original state of various engineering sites and wind farm properties.

Changes in the scope of consolidation relate to the initial consolidation of cs communication systems GmbH and cs networks GmbH telecommunication services. Other provisions mainly comprise provisions for year-end expenses.

6.11 Reporting on financial instruments

The table below shows a breakdown of carrying amounts according to the measurement categories and classes of IFRS 9 as of 31 December 2023:

(kEUR)	Measurement category pursuant to IFRS 9	Carrying amounts as of 31/12/2023	Carrying amounts as of 31/12/2022
Assets			
Non-current financial assets			
Other	AC	85	111
Current financial assets			
Trade receivables	AC	3,933	3,601
Contractual assets	AC	513	0
Other assets	AC	4,890	5,014
Cash and cash equivalents	AC	55,412	189,702
Financial assets at amortised cost	**AC**	**64,833**	**198,428**
Liabilities			
Non-current liabilities			
Financial liabilities	AC	14,146	15,143
Lease liabilities	n. a.	2,223	2,292
Other	AC	382	400
Current financial liabilities			
Financial liabilities	AC	1,463	1,403
Current trade and other payables			
Current trade payables	AC	4,682	3,044
Other liabilities	AC	2,841	6,047
Current lease liabilities	n.a.	847	641
Financial liabilities at amortised cost	**AC**	**26,584**	**28,970**

AC = Amortized cost

Liabilities are divided into non-current liabilities of kEUR 16,751 (previous year: kEUR 17,835) and current liabilities of kEUR 9,833 (previous year: kEUR 11,135). The total interest expense/income from financial liabilities measured at fair value through profit or loss amounted to kEUR 0 in the financial year 2023 (previous year: kEUR 0).

Net losses incurred by write-downs due to potential default risks, including changes in value adjustments from loans and receivables, amounted to kEUR 95 (previous year: kEUR 21).

With respect to financial assets which are neither past their due date nor impaired, there were no indications of potential impairment as of the balance sheet date.

The maximum default risk of all financial assets results from their book values. For more detailed information, reference is made to Note 8.2.

The trade receivables of kEUR 817 (previous year: kEUR 330) past due but not impaired and older than twelve months amounted to kEUR 32 (previous year: kEUR 16) and between six and twelve months at kEUR 26 (previous year: kEUR 0). Similar to the previous year, there were no financial assets past due overdue and not impaired in the financial year 2023.

Neither financial liabilities measured at amortised cost nor financial liabilities measured at fair value through profit or loss incurred net gains/net losses in the reporting year or in the previous year.

The fair value of the financial liabilities stood at kEUR 13,856 as of 31 December 2023 (book value: kEUR 15,609). In the previous year, the fair values came in at kEUR 14,997 (book value: kEUR 16,546). As in the previous year, the fair value of the financial assets, mainly corresponded to their carrying amounts in the period under review.

Netting agreements exist in the ITC segment enabling financial assets and financial liabilities to be offset at the time of payment. As of 31 December 2023, financial assets of kEUR 173 (previous year: kEUR 98); amount after netting: kEUR 82 (previous year: kEUR 65) and financial liabilities at kEUR 290 (previous year: kEUR 231); amount after netting: kEUR 199 (previous year: kEUR 199) existed which are subject to a netting agreement and were not netted out as of the balance sheet date.

Pledged collaterals generally exist for financial liabilities and are explained in Note 6.8.

6.12 Contingent liabilities and other financial liabilities

The following financial obligations existed as of 31 December:

(kEUR)	31/12/2023	31/12/2022
Within one year	6,625	817
More than one and less than five years	73	69
More than five years	0	0
Total	**6,698**	**886**

The purchase commitments included in other financial obligations amount to kEUR 6,386 (previous year: kEUR 759). The purchase commitment in the financial year arose from orders placed in the e-commerce business and from a general contractor agreement for the building of an office property in Marburg and takes account of payments still outstanding.

The other financial obligations relate to rental agreements for office space, technical areas, technical equipment and cars from items designated under Note 6.1.3, insofar as these were not accounted for as rights of use and leasing liabilities in accordance with IFRS 16. The contracts in question have a residual term of 1 to 5 years.

As in the previous year, a collateral restriction of EUR 1.5 million (collateral deposited) exists for the collateralisation of the 3U's own credit line. There are also restrictions on the availability of capital service reserves in connection with the financing of the Adelebsen Solar Park amounting to EUR 0.69 million (previous year: EUR 0.69 million). In addition, overnight money of EUR 0.46 million (previous year: EUR 0.46 million) was deposited as collateral for a guarantee facility at the Langendorf Wind Farm, and money market accounts of the Klostermoor Wind Farm amounting to EUR 0.32 million (previous year: EUR 0.23 million) were pledged as collateral.

6.13 Legal disputes and contingent liabilities

The 3U Group's operations may result in various legal disputes from time to time. The uncertainty of the outcome of these proceedings may possibly generally exert a negative impact on future operating results. Provisions for unsettled legal disputes totalling kEUR 20 (previous year: kEUR 20) were created for existing legal disputes as of 31 December 2023.

6.14.1 Development of fixed assets 2022

3U Group (kEUR)	Historical acquisition and production costs					
	As of 01/01/2023	Additions	Reclassi-fications	Disposals	Changes in the scope of consolidation	As of 31/12/2023
I. Intangible assets						
1. Self-created industrial property rights and similar rights and assets	0	0	0	0	0	0
2. Purchased concessions, industrial property rights and similar rights and assets and licenses to such rights and assets	6,933	45	0	0	766	7,744
3. Customer base	331	0	0	0	0	331
4. Goodwill	616	0	0	0	2,745	3,361
Total intangible assets	**7,880**	**45**	**0**	**0**	**3,511**	**11,436**
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	14,827	352	0	0	0	15,179
2. Technical equipment and machinery	41,001	122	8	0	0	41,131
3. Other equipment, plant and office equipment	2,167	214	0	15	46	2,412
4. Construction in progress	371	701	-8	351	0	713
Total property, plant and equipment	**58,366**	**1,389**	**0**	**366**	**46**	**59,435**
III. Rights of use						
Rights of use from leasing contracts	5,071	923	0	0	0	5,994
Total rights of use	**5,071**	**923**	**0**	**0**	**0**	**5,994**
IV. Investment properties						
Held as investment properties	0	3,636	0	0	0	3,636
Total investment properties	**0**	**3,636**	**0**	**0**	**0**	**3,636**
Total fixed assets	**71,317**	**5,993**	**0**	**366**	**3,557**	**80,501**

Numbers are rounded. Rounding differences may arise in the summation.

	Accumulated depreciation/amortisation							Carrying amounts	
	As of 01/01/2023	Additions	Reclassi-fications	Disposals	Changes in the scope of consolidation	As of 31/12/2023		As of 31/12/2023	As of 31/12/2022
	0	0	0	0	0	0		0	0
	5,211	353	0	0	0	5,564		2,180	1,722
	331	0	0	0	0	331		0	0
	13	27	0	0	0	40		3,321	603
	5,555	**380**	**0**	**0**	**0**	**5,935**		**5,501**	**2,325**
	658	344	0	0	0	1,002		14,177	14,169
	27,535	1,938	0	0	0	29,473		11,658	13,466
	1,766	201	0	10	0	1,957		455	401
	0	0	0	0	0	0		713	371
	29,959	**2,483**	**0**	**10**	**0**	**32,432**		**27,003**	**28,407**
	2,486	690	0	0	0	3,176		2,818	2,585
	2,486	**690**	**0**	**0**	**0**	**3,176**		**2,818**	**2,585**
	0	40	0	0	0	40		3,596	0
	0	**40**	**0**	**0**	**0**	**40**		**3,596**	**0**
	38,000	**3,593**	**0**	**10**	**0**	**41,583**		**38,918**	**33,317**

6.14.2 Development of fixed assets 2022

3U Group (kEUR)	Historical acquisition and production costs						
	As of 01/01/2022	Additions	Reclassifications	Disposals	Reclassification of disposal values	Changes in the scope of consolidation	As of 31/12/2022
I. Intangible assets							
1. Self-created industrial property rights and similar rights and assets	591	362	0	0	0	-953	0
2. Purchased concessions, industrial property rights and similar rights and assets and licenses to such rights and assets	17,008	829	0	0	0	-10,904	6,933
3. Customer base	331	0	0	0	0	0	331
4. Goodwill	18,362	0	0	0	0	-17,746	616
Total intangible assets	**36,292**	**1,191**	**0**	**0**	**0**	**-29,603**	**7,880**
II. Property, plant and equipment							
1. Land and buildings including buildings on third party land	14,989	63	0	4	0	-221	14,827
2. Technical equipment and machinery	40,839	274	0	23	0	-89	41,001
3. Other equipment, plant and office equipment	2,945	233	0	76	0	-935	2,167
4. Construction in progress	4,518	9,250	0	0	0	-13,397	371
Total property, plant and equipment	**63,291**	**9,820**	**0**	**103**	**0**	**-14,642**	**58,366**
III. Rights of use							
Rights of use from leasing contracts	6,164	1,354	0	73	0	-2,374	5,071
Total rights of use	**6,164**	**1,354**	**0**	**73**	**0**	**-2,374**	**5,071**
IV. Investment properties							
Held as investment properties	0	0	0	0	0	0	0
Total investment properties	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total fixed assets	**105,747**	**12,365**	**0**	**176**	**0**	**-46,619**	**71,317**

Numbers are rounded. Rounding differences may arise in the summation.

	Accumulated depreciation/amortisation							Carrying amounts	
	As of 01/01/2022	Additions	Reclassi-fications	Disposals	Reclassifica-tion of dis-posal values	Changes in the scope of consolidation	As of 31/12/2022	As of 31/12/2022	As of 31/12/2021
	0	0	0	0	0	0	0	0	591
	5,369	1,053	0	0	0	-1,211	5,211	1,722	11,639
	331	0	0	0	0	0	331	0	0
	13	0	0	0	0	0	13	603	18,349
	5,713	**1,053**	**0**	**0**	**0**	**-1,211**	**5,555**	**2,325**	**30,579**
	318	344	0	4	0	0	658	14,169	14,671
	25,647	1,966	0	24	0	-54	27,535	13,466	15,192
	2,116	279	0	56	0	-573	1,766	401	829
	0	0	0	0	0	0	0	371	4,518
	28,081	**2,589**	**0**	**84**	**0**	**-627**	**29,959**	**28,407**	**35,210**
	2,483	873	0	73	0	-797	2,486	2,585	3,681
	2,483	**873**	**0**	**73**	**0**	**-797**	**2,486**	**2,585**	**3,681**
	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	36,277	**4,515**	**0**	**157**	**0**	**-2,635**	**38,000**	**33,317**	**69,470**

7 Notes to the statement of cash flows

Cash and cash equivalents consist of time deposits, bank balances and cash in hand.

(kEUR)	31/12/2023	31/12/2022
Time deposits	31,500	151,500
Bank balances and cash	23,912	38,202
Total cash and cash equivalents	**55,412**	**189,702**
Less credit balances deposited as collateral/restricted credit balances	2,972	2,888
Cash and cash equivalents	**52,440**	**186,814**

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

After adjustment for non-cash income and expenses (mainly depreciation/amortisation) and taking into account changes in working capital, the 3U Group recorded a cash inflow from operating activities of kEUR 465 (previous year: kEUR 16,542). The decisive factor in this context is the positive development of business.

The cash flow from investing activities came in at kEUR –8,560 (previous year: kEUR 147,817) and resulted mainly from expenditure for acquiring cs communication systems GmbH and cs network GmbH telecommunication services along with office space Würzburg. The cash flow from financing activity stood at kEUR –127,009 (previous year: kEUR 12,628) and mainly originates from dividend and the share buyback. As in the previous year, exchange-rate-related changes did not occur.

Cash and cash equivalents subject to restrictions on disposal had increased only slightly.

All in all, this results in a cash-effective decrease in cash funds of kEUR 134,374 (previous year: increase of kEUR 179,197).

Of the cash and cash equivalents of kEUR 55,412 (previous year: kEUR 189,702) reported at the end of the period, a total of kEUR 2,972 (previous year: kEUR 2,888) is subject to a restriction on disposal. These funds are openly deducted from the liquid funds, with the corresponding deduction in cash and cash equivalents.

Interest income of kEUR 2,731 (previous year: kEUR 253) received in the 2023 financial year is offset by interest payments of kEUR 420 (previous year: kEUR 438).

Dividend of EUR 3.20 per share (previous year: EUR 0.05) was paid/distributed to the shareholders of 3U HOLDING AG in the 2023 financial year.

For the sale/purchase of shares in subsidiaries, cash and cash equivalents of kEUR 130 (previous year: kEUR 184,292) were received by the Group and kEUR 3,971 (previous year: kEUR 25,478) were disbursed. The purchase or sale prices were paid in cash.

The cash in- and outflows break down as follows:

(kEUR)	2023			2022		
	Inflow	Outflow	Net	Inflow	Outflow	Net
Acquisition	604	3,631	-3,027	0	0	0
Disposals	0	0	0	184,292	25,478	158,814
Total	**604**	**3,631**	**-3,027**	**184,292**	**25,478**	**158,814**

The assets and liabilities acquired/sold break down as follows:

(kEUR)	cs communication systems GmbH	cs network GmbH telecommunication system	Atrium 270. VV SE	weclapp SE	ITscope GmbH	FinanzGeek GmbH	InnoHubs GmbH
	Purch. 2023	Purch. 2023	Purch.2022	Sale 2022	Sale 2022	Sale 2022	Sale 2022
Non-current assets	4,092	45	0	27,184	6,188	124	10,998
Current assets	2,419	422	120	4,170	486	27	26,152
Non-current liabilities	928	83	0	5,723	3,007	0	27,486
Current liabilities	2,126	147	0	16,791	2,698	569	3,725

A purchase price obligation of kEUR 210 from the acquisition of the shares in cs communication systems GmbH still existed as of 31 December 2023, but was not yet due on the reporting date.

Net income taxes paid in 2023 amounted to kEUR 1,955 (previous year: kEUR 764). The change in financial liabilities is as follows:

Change in financial liabilities (kEUR)	01/01/2023	Cash changes	Non-cash changes			31/12/2023
			Addition acc. to IFRS 16	Acquisition	Disposal	
Non-current financial liabilities	15,143	-1,343	0	346	0	14,146
Current financial liabilities	1,403	-539	0	599	0	1,463
Leasing liabilities	2,933	-1,003	551	589	0	3,070
Total liabilities from financing activities	**19,479**	**-2,885**	**551**	**1,534**	**0**	**18,679**

:

Change in financial liabilities (kEUR)	01/01/2022	Cash changes	Non-cash changes			31/12/2022
			Addition acc. to IFRS 16	Acquisition	Disposal	
Non-current financial liabilities	29,261	1,850	0	0	15,968	15,143
Current financial liabilities	1,614	-211	0	0	0	1,403
Leasing liabilities	4,159	-1,050	1,457	0	1,633	2,933
Total liabilities from financing activities	**35,034**	**589**	**1,457**	**0**	**17,601**	**19,479**

Along with new additions, the additions according to IFRS 16 also comprise compounding of lease liabilities in an amount of kEUR 87 (previous year: kEUR 45).

8 Additional disclosures

8.1 Capital management

The Group manages its capital with the aim of maximising its stakeholders' income by optimising the ratio of equity to debt. The equity ratio is defined as the target parameter. 3U assume that the equity ratio will approach a value of approximately 50 % over the course of future investments. This ensures that all Group companies will be able to operate under the going concern premise. To serve the purpose of financing growth, profit is not distributed in full to the shareholders but deployed instead to strengthen the company's ability to finance itself.

As of 31 December 2023 and 2022 respectively, shareholders' equity and total assets amounted to:

	31/12/2023	31/12/2022	Change
Equity in kEUR	89,548	211,172	
Equity as % of total capital	75.06	86.69	-11.77 %-points
Liabilities in kEUR	29,760	32,431	
Liabilities as % of total capital	24.94	13.31	11.63 %-points
Total capital (shareholders' equity and liabilities) in kEUR	**119,308**	**243,603**	

Equity comprises the total capital, the Group's reserves and the shares of non-controlling shareholders Note: Replace by minority interest. Liabilities are defined as non-current and current financial liabilities, provisions and other liabilities.

8.2 Financial risks

Over the course of its normal business activities, the 3U Group is exposed to only minor interest rate and credit risks which could have an impact on its net assets, financial position and results of operations. In the context of international business, the 3U Group is exposed to currency risks which may have a corresponding impact. Where necessary, the Group also uses derivative financial instruments to manage these risks. In principle, however, only the risks which have an impact on the cash flow of the Group are addressed. Derivative financial instruments are used exclusively as hedging instruments.

The following sections examine the individual risks and risk management.

Currency risk

Currency risk exists in particular if receivables, liabilities, cash and cash equivalents and planned transactions exist or occur in a currency other than the company's local currency.

The 3U Group primarily conducts its business operations in Germany and invoices in euros. Trade payables in a foreign currency are of little significance for the Group so the currency risk is generally low. A policy has been drawn up for the purpose of hedging the risks, by forward contracts for example. It stipulates that these transactions must be congruent as to their currencies and maturities.

Similar to the previous year, no forward exchange contracts existed as of 31 December 2023.

As in the previous year, no assets and liabilities were denominated in a foreign currency as of 31 December 2023.

Assets:	kEUR 0	(previous year: kEUR 0)
Liabilities:	kEUR 0	(previous year: kEUR 0)

Default risk

3U is exposed to a credit risk to the effect that assets could be impaired if counterparties fail to comply with their obligations. To minimise credit risk, transactions are only concluded with debtors of good credit standing and only up to a maximum of a preset risk limit. Trade credit insurance is used in some areas of business to minimise risk.

Default risks are in line with customary market risks and appropriate valuation allowances are made. The Group is not exposed to any major credit risk from one counterparty or a group of counterparties with similar characteristics. The Group defines counterparties as having similar characteristics if related companies are involved.

The differing rates by which overdue receivables are written down depend largely on how long the receivables have been outstanding and the degree of success in recovering them. Experience has shown that receivables which are outstanding for more than 365 days are not recoverable and are fully written off.

Liquidity/new financing risk

The liquidity risk of the 3U Group basically consists of the fact that the Group may not be able to meet its financial obligations. In 2023, the liquidity reserves were substantially reduced due to dividend distribution and the share buyback. However, the liquidity reserves are still more than sufficient. Financial planning tools are used across the Group to monitor and manage liquidity. The planning horizon extends to one year.

The Group can draw on credit lines. On the balance sheet date, an amount of kEUR 1,024 (previous year: kEUR 1,027) was utilized in the form of a guarantee as part of bank guarantees.

3U expects to be able to meet its other obligations from operating cash flows and from the inflow of maturing financial assets. Furthermore, 3U assumes that the equity ratio will approach a value of approximately 50 % over the course of future investments

Of the financial and leasing liabilities, the following are due.

(In TEUR)	Financial liabilities 31/12/2023	Lease liabilities 31/12/2023	Financial liabilities 31/12/2022	Lease liabilities 31/12/2022
Within one year	1,463	847	1,403	641
Between one and five years	5,811	1,694	5,613	1,598
After five years	8,335	529	9,530	694
Total	15,609	3,070	16,546	2,933

Interest rate risk

Fixed interest rates have predominantly been agreed for 3U's interest-bearing liabilities. Sensitivity analyses within the meaning of IFRS 7.40 were therefore waived.

The risk of rising interest rates from bank loans is monitored in a timely manner.

Price risk

The gold holdings disclosed under other assets are subject to significant price fluctuations. These price fluctuations may lead to devaluations or losses in the context of selling the gold holdings, which could have a considerable impact on the Group's earnings position.

8.3 Related parties

Business with other related parties pertains primarily to supply and service relationships which were conducted at standard market conditions (arm's length transactions). These transactions were carried out with related parties/companies of companies/managers of Group companies. In the financial year 2023, this pertained to income of kEUR 19 (previous year: kEUR 0) and expenses of kEUR 0 (previous year: kEUR 42). As of 31 December 2023, non-current lease liabilities of kEUR 0 (previous year: kEUR 0) and current lease liabilities of kEUR 0 (previous year: kEUR 0).

Management Board member Christoph Hellrung and former Management Board member Michael Schmidt each had 166,666 share options on 31 December 2022, and Uwe Knoke, member of the Management, had 100,000 share options from the 2018 Share Option Plan. In exercising the share options, a benefit in kind worth kEUR 452 accrued to Michael Schmidt, kEUR 452 to Christoph Hellrung and kEUR 284 to Uwe Knoke. For the purpose of financing the tax expense levied on this financial advantage, the Group granted Michael Schmidt and interest-bearing loan of kEUR 179, Christoph Hellrung an interest-bearing loan of kEUR 217 and Uwe Knoke an interest-free loan of kEUR 130, all loans with a fixed term through to 15 June 2023. Management Board member Andreas Odenbreit exercised his share options in an amount of 166,666 in December 2022. The exercising of these share options generated a financial advantage of kEUR 493. To finance the tax levied on this financial advantage, the Group granted Andreas Odenbreit an interest-free loan of kEUR 250 with a fixed term through to 15 June 2023. All loans had been fully repaid by the end of the fixed term.

Based on a purchase agreement dated 8 November 2021, InnoHubs GmbH sold parts of the office space to its shareholder WüWi Beteiligungsgesellschaft mbH. Under this purchase agreement, WüWi Beteiligungsgesellschaft mbH bought two units at a purchase price of kEUR 1,167. In accordance with progress made in construction through to the deconsolidation of InnoHubs GmbH income of kEUR 107 was realised in the financial year 2022.

The following persons were appointed members of the company's Management Board in the reporting year and in the previous year:

Michael Schmidt	Marburg Spokesperson of 3U HOLDING AG's Management Board (until 25 May 2022)
Andreas Odenbreit	Marburg Member of the Management Board of 3U HOLDING AG Member of the Supervisory Board of 3U ENERGY AG, Marburg
Christoph Hellrung	Hattingen Member of the Management Board of 3U HOLDING AG (since 26 May 2022)
Uwe Knoke	Wedemark Member of the Management Board of 3U HOLDING AG

The total remuneration of the Management Board granted in 2023 amounted to kEUR 2,102 (previous year: kEUR 3,135).

The Short-Term Incentive Plan 2023 accounted for 65 % of the maximum variable remuneration possible for 2023 amounting to kEUR 45 (Andreas Odenbreit), kEUR 45 (Uwe Knoke) and kEUR 45 (Christoph Hellrung).

The multi-year variable remuneration is granted in the form of virtual shares with a holding period of four years. The provisions formed for this purpose amounted to kEUR 108 (previous year: kEUR 33).

Remuneration of the members of the Management Board (kEUR)	Michael Schmidt Spokesperson of the Management Board (until 25/05/2022)		Andreas Odenbreit Management Board		Christoph Hellrung Management Board (since 26/05/2022)		Uwe Knoke Vorstand		Management Board total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Fixed remuneration	0	120	200	200	200	117	200	179	600	616
Taxable non-cash benefits and other fringe benefits	452	14	17	508	479	15	302	19	1,250	556
Total fixed renumeration and fringe benefits	**452**	**134**	**217**	**708**	**679**	**132**	**502**	**198**	**1,850**	**1,172**
One-year variable remuneration	0	125	29	45	29	26	29	45	87	241
Performance-based remuneration weclapp	0	280	0	500	0	700	0	100	0	1,580
Multi-year variable remuneration										
LTI 2023	0	0	55	0	55	0	55	0	165	0
LTI 2022	0	0	0	55	0	32	0	55	0	142
Total variable remuneration	**0**	**405**	**84**	**600**	**84**	**758**	**84**	**200**	**252**	**1,963**
Pension allowances	0	0	0	0	0	0	0	0	0	0
Total remuneration	**452**	**539**	**301**	**1,308**	**763**	**890**	**586**	**398**	**2,102**	**3,135**

As in the previous year, no share options were issued to the members of the Management Board in the 2023 financial year. As of 31 December 2023, members of the Management Board and of the Supervisory Board did not hold any share options.

With the exception of the transition period of Christoph Hellrung from 26 to 31 May 2022, all remuneration for Management Board activities was borne by 3U HOLDING AG.

Apart from the aforementioned exception, the subsidiaries did not pay any remuneration during the activity of 3U HOLDING AG's Management Board. In the period up until 31 May 2022, Christoph Hellrung received a remuneration of kEUR 104 as member of weclapp SE's Management Board.

Information on the shares (in units) held by the Management Board and the Supervisory Board as of 31 December 2023:

Name	Function	Share options
Christoph Hellrung	Member of the Management Board	106,666
Andreas Odenbreit	Member of the Management Board	107,166
Uwe Knoke	Member of the Management Board	96,000
Ralf Thoenes	Supervisory Board	25,000
Stefan Thies	Supervisory Board	33,084
TOMPAT/Michael Schmidt*	Supervisory Board	9,235,000
Lenard Lange	Supervisory Board	1,264

*The share of voting rights in 3U HOLDING AG was transferred on 22 March 2023 to Munich-based TOMPAT Invest GmbH, a company controlled by Michael Schmidt.

No personnel expenses for share options were recognised in the financial year 2023. In the financial year 2022, kEUR 134 was recognised as personnel expenses relating to the share options issued to members of the Management Board, executives and employees at 3U HOLDING AG. Of this amount, kEUR 31 related to share options issued to Management Board members.

The following persons were appointed as members of the Supervisory Board in the reporting year:

Ralf Thoenes	Düsseldorf Lawyer in the Altenburger law firm, Düsseldorf Chairman of 3U HOLDING AG's Supervisory Board Other Supervisory Board or Advisory Board mandates: Chairman of the Supervisory Board of 3U ENERGY AG, Marburg Chairman of the Supervisory Board Atrium 270 Europäische VV SE, Düsseldorf Chairman of the Supervisory Board of weclapp SE, Frankfurt am Main (until 30 September 2022),
Stefan Thies	Heinsberg Diploma in business administration and tax consultant at Thies & Thies Steuerberatungsgesellschaft Deputy Chairman of the Supervisory Board of 3U HOLDING AG Other Supervisory Board or Advisory Board mandates: Deputy Chairman of the Supervisory Board of weclapp SE, Frankfurt am Main (until 30 September 2022)
Jürgen Beck-Bazlen	Ostfildern Construction physicist, employed at EGS-plan Ingenieurgesellschaft für Energie-, Gebäude- und Solartechnik mbH Member of the Supervisory Board of 3U HOLDING AG (until 15 May 2023)
Michael Schmidt	Limassol, Cyprus Member of the Supervisory Board of 3U HOLDING AG Other Supervisory Board or Advisory Board mandates: Member of the Supervisory Board of Atrium 270. Europäische VV SE
Lenard Lange	Munich IT security consultant Member of the Supervisory Board of 3U HOLDING AG (since 15 May 2023)

Supervisory Board remuneration for 2023 amounted to kEUR 78 (previous year: kEUR 1,279). No performance-related remuneration was set aside for 2023 (previous year: kEUR 1,200). The performance-related remuneration in 2022 included a special bonus of kEUR 1,100 for the sale of weclapp SE.

Remuneration of the Supervisory Board members (kEUR)	Fixed remuneration		Performance-related remuneration		Special bonus weclapp sale		Attendance fee		Total remuneration	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Ralf Thoenes (Chairman)	10	10	0	40	0	400	13	15	23	465
Stefan Thies (Deputy Chairman)	8	8	0	30	0	300	13	15	21	353
Jürgen Beck-Bazlen (until 15/05/2023)	2	5	0	20	0	200	5	15	7	240
Michael Schmidt (since 01/07/2022)	5	3	0	10	0	200	13	8	18	221
Lennard Lange (since 15/05/2023)	3	0	0	0	0	0	8	0	11	0
Total*	**28**	**26**	**0**	**100**	**0**	**1,100**	**50**	**53**	**78**	**1,279**

*Deviations due to rounding figures in the Total line and in the Total remuneration column

In addition, Supervisory Board members are reimbursed for their travel expenses and other outlays. Mr. Thones received reimbursement of kEUR 2.0 (previous year: kEUR 4.2) for his outlays in the financial year 2021. Mr. Thies received kEUR 0.3 (previous year: kEUR 0.2), Mr. Lange received kEUR 0.3 (previous year: kEUR 0) and Mr. Beck-Bazlen received kEUR 0.2 (previous year: kEUR 0.1) in reimbursed outlays. Mr.Thones also received attendance fees and reimbursement of expenses amounting to kEUR 3.0 for his Supervisory Board activity at 3U ENERGY AG in the financial year 2023 (previous year: kEUR 3.0).

Of 31 March 2023, Mr. Michael Schmidt was granted a loan of EUR 2.88 million. The loan had a term until 19 May 2023 and was paid back on this date. The loan bore interest at customary market rates.

The members of the Supervisory Board do not receive any share-based remuneration components.

There were no commitments for pensions, settlements or other retirement benefits, neither from 3U HOLDING AG nor from third parties, for members of the Supervisory Board.

The basic components of the compensation system for the Management Board and Supervisory Board are presented in the remuneration report as part of the combined management report.

8.4 Events after the reporting period

External factors of influence, such as the war in Ukraine, the energy crisis, along with procurement and supply difficulties in products and components remain virulent, also after the end of the financial year, and form a focus of risk management and of the Management Board.

Aside from this, no events of material significance occurred after the reporting date.

8.5 Auditor's Fees

The fees, including additional expenses for the auditor RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft in the financial year 2023 (previous year) are as follows:

Annual audit services	kEUR 497*	(previous year: kEUR 340*)
Other certification services	kEUR 0	(previous year: kEUR 0)
Tax consulting services	kEUR 0	(previous year: kEUR 0)
Other services	kEUR 49	(previous year: kEUR 102)
Total	kEUR 546	(previous year: kEUR 442)

*Including recalculations for previous years of kEUR 197 (previous year: kEUR 118)

8.6 Declaration on the Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG)

The Management Board and the Supervisory Board of 3U HOLDING AG have submitted the declarations prescribed by Section 161 of the German Stock Corporation Act (AktG) and have made them permanently available (www.3u.net).

8.7 Disclosures in accordance with Section 160 (1) item 8 German Stock Corporation Act (AktG)

On 24 April 2023, Mr. Michael Schmidt, Limassol, notified us that his share of the voting rights in 3U HOLDING AG had been transferred on 22 March 2023 to Munich-based TOMPAT Invest GmbH, a company he controls, and that on that day 25.49 % of the voting rights were held by the company (8,999,995 voting rights).

On 13 November 2023, Mr. Jürgen Beck-Bazlen, Ostfildern, notified us that his share of the voting rights in 3U HOLDING AG had fallen below the threshold of 3 % on 10 November 2023 and that, on that day, he held 1.9 % of the voting rights (700,000 voting rights).

Lupus alpha Investment GmbH, Frankfurt, notified us on 16 November 2022 in accordance with Section 33 (1) of the German Securities Trading Act (WpHG) that its share of voting rights in 3U HOLDING AG had fallen below the threshold of 3 % on 14 September 2020 and that, on that day, it held 2.93 %of the voting rights (corresponding to 1,035,638 voting rights).

Additional disclosures

The following companies owned by 3U HOLDING AG make use of the exemptions permitted under Section 264 (3) of the German Commercial Code (HGB):

- 010017 Telecom GmbH, Marburg
- 3U TELECOM GmbH, Marburg
- Discount Telecom S&V GmbH, Marburg
- fon4U Telecom GmbH, Marburg
- LineCall Telecom GmbH, Marburg
- OneTel Telecommunication GmbH, Marburg

3U HOLDING AG is the supreme, dominant company of the 3U Group.

Date of approval of the financial statements for publication

The Management Board of 3U HOLDING AG ratified the consolidated financial statements on 27 March 2024 to be submitted to the Supervisory Board. The Supervisory Board is responsible for examining the consolidated financial statements and for declaring whether it adopts the consolidated financial statements. After publication, the financial statements cannot be altered.

Marburg, 27 March 2024

The Management Board

Christoph Hellrung   Uwe Knoke   Andreas Odenbreit

Additional information

Assurance by the legal representatives

We give our assurance that, to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated annual financial statements give a true and fair view of the net assets, financial position and result of operations of the Group and that the combined Management Report presents the business development, including results of operations and the position of the Group in a way that provides a true and fair view of the actual circumstances, together with a description of the principal opportunities and risks associated with the development of the Group.

Marburg, 27 March 2024

The Management Board

Christoph Hellrung | Uwe Knoke | Andreas Odenbreit

Independent Auditor's Report

To 3U HOLDING AG, Marburg

Note on the audit of the consolidated financial statements and the combined management report

Audit opinion

We have audited the consolidated financial statements of 3U HOLDING AG, Marburg, and its subsidiaries (the Group), comprising the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2023, along with the notes to the consolidated financial statements and including a summary of significant accounting policies. We have also audited the combined management report of 3U Holding AG, Marburg, for the financial year from 1 January to 31 December 2023. We have not audited the parts designated in the combined management report under "Additional information" or the "Remuneration report" voluntarily included in the combined management report and the Corporate Governance Statement with regards to content in accordance with German legal requirements.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB) and give a true and fair view of the net assets and financial position of the Group as of 31 December 2023 and its results of operations for the financial year from 1 January to 31 December 2023 in accordance with these requirements, and
- overall, the attached combined management report provides a suitable understanding of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our opinion on the combined management report does not extend to the aforementioned unaudited parts of the combined management report.

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Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the financial statements and the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 HGB and the EU Auditing Regulation (No. 537/2014; hereinafter "EUAPrVO") and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these rules and principles and standards is described in more detail in the section "Responsibility of the auditor for the audit of the consolidated financial statements and the combined management report" in our audit opinion. We are independent from the group companies in accordance with European law and German and commercial professional regulations and have fulfilled our other German professional duties in accordance with these requirements. In addition, we declare in accordance with Article 10 (2) (f) that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements and the combined management report.

Audit matters of particular importance in the audit of the consolidated financial statements

Matters of particular importance are those matters which, in our opinion, based on our professional judgement, are the most significant matters arising from our audit of the consolidated financial statement for the financial year from 1 January to 31 December 2023. These matters were considered in the content of our audit of the consolidated financial statements as a whole and in informing our audit opinion thereon; we do not express separate opinion on these matters.

In the following, we present the audit issues which we consider to be particularly important:

Recoverability of goodwill

a) Risk to the consolidated financial statements

As of the reporting date, the consolidated balance sheet shows goodwill in a carrying amount totalling kEUR 3,321.

Information provided by the company on goodwill is detailed in the sections "2.3.7 Goodwill", "2.3.15 Impairment of non-financial assets and property, plant and equipment" and "6.1.1 Intangible assets" of the notes to the consolidated financial statements.

In accordance with IAS 36.90, cash generating units to which goodwill has been allocated are subject to an impairment test at least once a year. Moreover, according to IAS 36.9 in conjunction with IAS 36.12 (d), an impairment test is to be carried out if the carrying amount of the company's net assets exceeds its market capitalisation.

This test involves the use of complex valuation models based on expectations about the future development of the respective operating business and the resulting cash flows. Furthermore, the valuation is largely dependent on the discount rates used. The result of the impairment test is therefore subject to the significant influence of discretionary values. Against this backdrop, we considered these matters to be of particular importance in the context of our audit.

b) Auditing procedure and conclusions

Within the scope of our audit, we have reconciled the applied method of conducting the impairment test with the requirements of IAS 36. In our audit, we have, among other things, reconstructed the methodological procedure for carrying out the impairment test and assessed the determination of the weighted cost of capital used for discounting. We have verified the plausibility of the plans on which the impairment tests. We also assessed the company's adherence to planning on the basis of an analysis of past deviations from planning. To ensure the mathematical accuracy of the valuations, we carried out random checks. We validated the client's calculation results on the basis of supplementary analyses, including sensitivity analyses.

The assumptions applied by the legal representatives in the review of the value of the goodwill are appropriate, taking into account the available information according to the results of our audit.

Other information

The legal representatives and the Supervisory Board are responsible for additional information. Additional information includes:

- the reference in the section "Corporate Governance Statement (Sections 289f and 315d HGB)" of the combined management report to the separately published Group Corporate Governance Statement,
- the remuneration report pursuant to Section 162 of the German Stock Corporation Act (AktG; formal audit),
- the report of the Supervisory Board,
- the remaining parts of the annual report, but not the consolidated financial statements, nor the information in the combined management report included in the content of the audit, nor our Audit Opinion, and
- the assurance in accordance with Section 297 (2) sentence 4 HGB for the consolidated financial statements and the assurance in accordance with Section 315 (1) sentence 5 HGB for the combined management report

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration on the German Corporate Governance Code pursuant to Section 161 AktG which is part of the section entitled "Corporate Governance Statement" included the corporate governance statement in the combined management report. Otherwise, the legal representatives are responsible for additional information.

The Management Board and the Supervisory Board are responsible for preparing the special section in the combined management report on the remuneration report which complies with the requirements under Section 162 AktG.

Our audit opinion on the consolidated financial statements and the combined management report does not extend to the other information and, accordingly, we do not express an audit opinion or any other form of conclusion on these matters.

In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information referred to above and to evaluate whether the other information

- contains material inconsistencies with the consolidated financial statements, with the audited parts of the combined management report or with the knowledge gained from our audit, or
- appears to be substantially misrepresented elsewhere.

If, based on the work we have performed, we conclude that there is a material misstatement of such additional information, we are required to report the matter. We have nothing to report in this context.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the combined management report

The legal representatives are responsible for the preparation of the consolidated financial statements which comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB, and for ensuring that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. Furthermore, the legal representatives are responsible for the internal controls which they have deemed necessary to enable the preparation of financial statements that are free from material misstatement due to fraudulent activities (i.e. manipulation of the accounts and asset misappropriation) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. In addition, they are responsible for disclosing, where relevant, information about the Group's ability to continue as a going concern. They are also responsible for accounting for continuing operations in accordance with the going concern principle unless the Group is to be wound up or decommissioned, or there is no realistic alternative but to liquidate the Group.

In addition, the legal representatives are responsible for the preparation of the combined management report which, as a whole, provides a true and fair view of the Group's position and suitably presents the opportunities and risks of future development and which accords in all material respects with the consolidated financial statements, the requirements under German law, and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for precautions and measures (systems) which they have deemed necessary to enable the preparation of a combined management report in compliance with the applicable German legal regulations and to provide sufficient suitable evidence for the statements made in the combined management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for preparing the consolidated financial statements and the combined management report.

Auditor's responsibility for the audit of the consolidated financial statements and the combined management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, whether the combined management report as a whole presents a true and fair view of the Group's position and accords in all material respects with the consolidated financial statements and the findings of our audit, complies with the requirements under German law, and accurately presents the opportunities and risks of future development, as well as to issue an audit opinion containing our opinions on the consolidated financial statements and the combined management report.

Adequate assurance is a high degree of certainty but does not guarantee that an audit conducted in accordance with Section 317 HGB and EUAPrVO and in compliance with the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could be reasonably expected that they could individually or collectively influence the economic decisions of the addressees made on the basis of these consolidated financial statements and the combined management report.

During the audit, we exercise due discretion and maintain a critical stance. Furthermore we

- identify and assess the risks of material misstatements in the financial statements in the consolidated financial statements and in the combined management report due to fraud or error, plan and perform the audit procedures to respond to these risks and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material statements resulting from fraudulent acts is greater than the risk of not detecting material misstatements from errors, as fraudulent activities may involve collusion, falsifications, intended incompleteness, misleading representations and/or the suspension of internal controls.
- gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the procedures and measures relevant to the audit of the combined management report in order to plan audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of the accounting policies applied by the legal representatives and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- draw conclusions on the appropriateness of the accounting policies used by the legal representatives for the continuation of the Group's operations and, on the basis of the evidence obtained, whether there is any material uncertainty relating to events or circumstances which could cast significant doubt upon the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are obliged to draw attention in the audit opinion to the relevant disclosures in the consolidated financial statements and in the combined management report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Group being unable to continue its operations.
- assess the presentation, structure and content of the consolidated financial statements overall, including the disclosures and whether the consolidated financial statements present the underlying transactions and events in a way that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB.
- obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the Group to enable us to express an opinion on the consolidated financial statements and the combined management report. We are responsible for instructing, monitoring and conducting the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- express an opinion on the consistency of the combined management report with the consolidated financial statements, its compliance with the law, and the view of the Group's situation conveyed by it.
- perform audit procedures on the forward-looking disclosures in the combined management report as presented by the legal representatives. On the

basis of sufficient and appropriate audit evidence, we verify in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess whether the forward-looking statements have been properly derived from these assumptions. We do not give an independent audit opinion on the forward-looking statements and the underlying assumptions. There is a substantial unavoidable risk that future events could differ materially from the forward-looking statements

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in the internal control system which we identified during our audit.

We make a declaration to the persons responsible for monitoring that we have complied with the relevant independence requirements and discuss them with all relationships and other matters which may be reasonably expected to affect our independence and, if pertinent, the measures taken to eliminate threats to independence or the safeguards which have been put in place.

From the matters we have discussed with the persons responsible for monitoring, we determined those matters which were most significant in the audit of the consolidated financial statements for the current reporting period, and which are therefore the most important audit matters. We describe these matters in our audit opinion unless laws or regulations preclude public disclosure of the matters.

Other legal and regulatory requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and the combined management report prepared for the purpose of disclosure in accordance with Section 317 (3a) German Commercial Code (HGB)

Audit opinion

Pursuant to Section 317 (3a) HGB, we have performed a reasonable assurance engagement as to whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in the attached file "3U_GROUP_KA+LB_ESEF-2023-12-31.zip" and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB on the electronic reporting format ("ESEF format"). In accordance with the German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the combined management report into the ESEF format and therefore neither to the information contained in these reproductions, nor to any other information contained in the aforementioned file..

In our opinion, the reproductions of the consolidated financial statements and the combined management report included in the attached file referred to above and prepared for disclosure purposes comply, in all material respects, with the requirements of Section 328 (1) HGB on electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2023 contained in the preceding "Report on the audit of the consolidated financial statements and the combined management report" we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned attached file in accordance with Section 317 (3a) HGB and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Section 317 (3a) HGB (IDW PS 410 (06/2022)). Our responsibility thereunder is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for Quality Management in Auditing Practice [IDW QS 1 (09/2022)].

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The company's legal representatives are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the recording of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

Furthermore, the company's legal representatives are responsible for the internal controls they deem necessary to enable the preparation of the ESEF documents which are free from material non-compliance, intentional or otherwise, with the electronic reporting format requirements of Section 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, intentional or otherwise, with the requirements of Section 328 (1) HGB. During the audit, we exercise due discretion and maintain a critical stance. Furthermore, we

- identify and assess the risks of material non-compliance, intentional or otherwise, with the requirements of Section 328 (1) HGB, plan and perform audits procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion;
- gain an understanding of internal controls relevant to the audit of the ESEF documents in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls;
- assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, regarding the technical specification of such documentation;

- assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited combined management report;
- assess whether the inline XBRL technology (iXBRL) tagging of the ESEF documents in accordance with Article 4 and 6 of the Commission Delegated Regulation (EU) 2019/815 in the version valid on the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML output

Other information according to Article 10 EUAPrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on 15 May 2023. Pursuant to Section 318 (2) HGB we are considered the auditors of the consolidated financial statements as no other auditors were appointed. We were commissioned by the Supervisory Board on 11 August 2023. We have been active without interruption since the 2018 financial year as auditors of the consolidated financial statements of 3U Holding AG, Marburg.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Supervisory Board in accordance with Article 11 EUAPrVO (audit report).

In addition to the auditing the financial statements of the audited entity, we have provided the following services which are not listed in the consolidated financial statements or in the combined management report:

- Project-related audit (3U Holding AG) of accounting issues
- Audit of the 2023 remuneration report of 3U Holding AG pursuant to Section 162 (3) AktG

Other matters – use of the Auditor's Report

Our Auditor's Report must always be read in the context of the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documentation. The consolidated financial statements and the combined management report transferred to the ESEF format – including the versions to be entered into the business register – are merely electronic representations of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein is only to be used in connection with the audited ESEF documentation made available in electronic form.

Responsible auditor

The auditor responsible for the audit is Mr. Alexander Schönberger.

Bonn, 27 March 2024

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Uwe Harr Certified Public Accountant	Alexander Schönberger Certified Public Accountant

3U Group*

3U HOLDING AG

ITC

010017 Telecom GmbH
Marburg, Germany

3U TELECOM GmbH
Marburg, Germany

3U TELECOM GmbH
Vienna, Austria

cs communication systems GmbH
Pleidelsheim, Germany

cs network GmbH telecommunication services
Pleidelsheim, Germany

Discount Telecom S&V GmbH
Marburg, Germany

Exacor GmbH
Marburg, Germany

fon4U Telecom GmbH
Marburg, Germany

LineCall Telecom GmbH
Marburg, Germany

OneTel Telecommunication GmbH
Marburg, Germany

RISIMA Consulting GmbH
Marburg, Germany

Renewable Energies

3U ENERGY AG
Marburg, Germany

3U ENERGY PE GmbH
Berlin, Germany

3U Euro Energy Systems GmbH
Marburg, Germany

Immowerker GmbH
Marburg, Germany

Repowering Sachsen-Anhalt GmbH
Marburg, Germany

Solarpark Adelebsen GmbH
Adelebsen, Germany

Windpark Klostermoor GmbH & Co. Betriebs-KG
Marburg, Germany

Windpark Langendorf GmbH & Co. KG
Marburg, Germany

Windpark Langendorf Verwaltungsgesellschaft mbH
Marburg, Germany

Windpark Roge GmbH
Marburg, Germany

Windpark Roge GmbH & Co. Betriebs-KG
Marburg, Germany

SHAC

Atrium 270. Europäische VV SE
Düsseldorf, Germany

Calefa GmbH
Koblenz, Germany

PELIA Gebäudesysteme GmbH
Koblenz, Germany

samoba GmbH
Bad Honnef, Germany

Selfio GmbH
Bad Honnef, Germany

*Fully consolidated companies as of 31 December 2023

Financial calendar

- **Participation in 37th MKK, Munich**
  24–25 April 2024

- **Publication of the Quarterly Announcement 1/2024**
  14 May 2024

- **Participation in Spring conference Equity Forum, Frankfurt/Main**
  15 May 2024

- **Annual General Meeting 2024, Marburg**
  28 May 2024

- **Publication of 6 Month's Report 2024**
  13 August 2024

- **Participation in Autumn conference Equity Forum, Frankfurt/Main**
  2-3 September 2024–3 September 2024

- **Publication of the Quarterly Announcement 3/2024**
  12 November 2024

- **Participation in Deutsches Eigenkapitalforum, Frankfurt/Main**
  25–27 November 2024

The current financial calendar is available on the 3U HOLDING AG website (www.3u.net).

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Disclaimer

The Annual Report 2023 is the unauthorised English translation of the German Annual Report which is the only legally binding document. The translation is being provided for convenience purposes only.

This annual report contains forward-looking statements which are subject to risks and uncertainties and which are assessments of the manage ment of 3U HOLDING AG and reflect its current opinions with regard to future events. Such predictive statements can be recognised by the use of terms such as "expect", "assume", "estimate", "anticipate", "intend", "can", "plan", "project", "will" and similar expressions. Forwardlooking statements are based on current and valid plans, estimates and expectations. Such statements are subject to risks and uncertainties, most of which are difficult to estimate and which are generally beyond 3U HOLDING AG's scope of control.

The following are – by no means exhaustive – examples of factors that may trigger or affect a deviation: the development of demand for our services, competitive factors – including price pressure –, technological changes, regulatory measures, risks in the integration of newly acquired companies. If any of these or other risks and uncertain factors occur, or if the assumptions on which the statements are based prove to be incorrect, the actual results of 3U HOLDING AG may differ materially from those outlined or implied in these statements. The company does not undertake to update predictive statements of this nature.

This annual report contains a range of figures which are not part of commercial regulations and the International Financial Reporting Standards (IFRS), such as EBT, EBIT, EBITDA and investments (capex). These figures are not to be interpreted as a substitute for the information of 3U HOLDING AG in accordance with the German Commercial Code (HGB) or IFRS. It should be noted that the figures for 3U HOLDING AG which are not part of commercial regulations and the IFRS, can only be compared to the corres ponding figures of other companies to a certain extent

3U HOLDING

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