



Annual Report 2021

Group Results at a Glance

3U Group (IFRS)		Year-on-year comparison 01/01-31/12	
		2021	2020
Revenue	(in EUR million)	55.94	61.05
EBITDA (earnings before interest, taxes, depreciation and amortisation)	(in EUR million)	11.27	11.55
Adjusted EBITDA*	(in EUR million)	12.35	11.55
EBIT (earnings before interest and taxes)	(in EUR million)	6.76	5.94
EBT (earnings before taxes)	(in EUR million)	6.29	5.26
Net income for the period	(in EUR million)	2.92	3.27
Earnings per share total (undiluted)	(in EUR)	0.08	0.09
Earnings per share total (diluted)	(in EUR)	0.08	0.09
Equity ratio (as of 31 December)	(in %)	52.17	60.54
Total assets (as of 31 December)	(in EUR million)	119.05	85.90
Free cash flow	(in EUR million)	-23.22	0.03

*Adjusted for expenses for the preparation of company acquisitions and a possible IPO of weclapp SE

3U Group (IFRS)		Q4 comparison 01/10-31/12	
		2021	2020
Revenue	(in EUR million)	15.73	16.56
EBITDA (earnings before interest, taxes, depreciation and amortisation)	(in EUR million)	5.71	5.12
Adjusted EBITDA*	(in EUR million)	6.27	5.12
EBIT (earnings before interest and taxes)	(in EUR million)	4.28	3.35
EBT (earnings before taxes)	(in EUR million)	4.14	3.15
Net income for the period	(in EUR million)	1.98	2.67
Earnings per share total (undiluted)	(in EUR)	0.06	0.08
Earnings per share total (diluted)	(in EUR)	0.05	0.07
Free cash flow	(in EUR million)	-8.14	2.10

*Adjusted for expenses for the preparation of company acquisitions and a possible IPO of weclapp SE

Actual performance and forecast 3U Group (in EUR million)	Forecast 2022	2021 actual	Last forecast 2021	2020 actual
Revenue	65.0-70.0	55.9	58.0-63.0	61.1
EBITDA	10.0-12.0	11.3	11.0-13.0	11.6
Net income	2.0-4.0	2.9	2.0-4.0	3.3

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

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Letter to our Shareholders

Ladies and Gentlemen, dear Shareholders,

the financial year 2021 which we are now reporting on here was a year of light and shadow.

We did indeed achieve our forecast – revenue was a little tight but the adjusted result settled at the upper end of what we announced.



Michael Schmidt (Spokesman of the Management Board)

And we are successfully moving ahead with our strategy, with implementing the measures we informed you about and which we discussed at the Annual General Meeting. Our investments were already bearing fruit in 2021 within a short time window, particularly the very successful building project in Würzburg.

And, indeed, a year ago when we asserted that “2020 was a good year, but 2021 will be even better!”, we were originally hoping for more – even greater progress.

Three external developments put the brakes on, however. These were factors outside our sphere of influence, and an adequate entrepreneurial response was therefore hardly possible.

The first factor: The weather, which has to play along if we are to generate electricity from wind and solar power in our Renewable Energies segment. Neither wind nor sun were particularly favourable in 2021, however. Our plants delivered almost 20 % less electricity than in the year before. Aside from the weather, if we can actively intervene, that’s what we naturally do: We are reaping the benefit of surging prices on the electricity market. We have negotiated very good prices with several utilities for this year and the next. The technical availability of our plants of 99 % is testimony to our rigorously professional maintenance strategy and sets in place a sound foundation for a more successful financial year in this segment again in 2022!

Secondly, a lagging effect of the lockdown to combat the COVID-19 pandemic has had an impact not only on us but on the entire global economy: disruption to supply chains and exorbitant price increases for industrial goods, parts and components. Supply difficulties in the construction sector posed a challenge for our SHAC segment. We were unable to fully pass on higher prices, and a number of orders had to be left lying. For the first time ever, our e-commerce business did not grow in the financial year 2021. Our measures were unable to fully compensate for these effects. However, relocating to our new distribution centre has set the course for future growth, with efficiency gains envisaged materialising, and things will proceed to the extent that supply by the manufacturers again corresponds to the strong demand of our customers.

Thirdly, we have seen investor sentiment deteriorate massively on the capital market just at the point when we envisaged realising the long-planned IPO of weclapp SE. Our intention was to float weclapp’s shares in the first six months of 2022 at the latest, but fund managers’ propensity to invest in high-growth technology stocks is hugging a low point, also at the beginning of 2022. Preparations for a flotation already incurred high costs in the financial year 2021 – this will not be in vain. SMBs, small and medium-sized businesses gain significant advantages from using our platform, and weclapp offers limitless scalability. It is our intention to make weclapp the most popular ERP software for SMBs, both in Germany and on an international scale. Many investors already



Uwe Knoke (Chief Financial Officer)



Andreas Odenbreit (Chief HR and Legal Officer)

know this, have familiarised themselves with the benefits of our cloud computing, and will reward this accordingly when the time comes.

Even without a launch on the stock exchange, the ITC segment delivered the best news in 2021. The sound development in our traditional business in telecommunications was gratifying and generated good contributions to earnings. The technical excellence of our Next Generation Network and our data centres, teams that work efficiently, and a service offering rigorously aligned to our customers form the basis for a new chapter to be written in this 25-year success story.

And the cloud computing business continues on its growth trajectory. weclapp SE once again produced organic sales revenue of 50 %. The visibility of our marketing and corporate communication puts clear blue water between ourselves and our competitors and places us on the radar of new customers as well as investors.

Beyond organic growth, we have made successful progress with another strategic project in cloud computing: In the fourth quarter, we welcomed two newly acquired companies to the Group. The range of services offered by ITscope GmbH and FinanzGeek GmbH complement weclapp's offering by adding an extremely successful solution for the IT sector and a start-up product for the self-employed and micro-enterprises. Recurrent revenue on an annual basis from existing usage agreements currently amounts to more than EUR 15 million the new weclapp Group. More than 7,000 companies meanwhile use the weclapp cloud ERP software, and this number is growing month by month, not only in Germany but also in stages in the new international target markets.

To put it in a nutshell: We are successful in embracing mega trends – and this is how it will stay! Even if unforeseeable influences in the environment cause a slowdown on occasion, we will continue to chart our course. In accordance with the Articles of Association, we hold fast to the original business model of 3U HOLDING AG: the acquisition, operation and sale of assets. The task we have set ourselves in these activities is to raise the enterprise value, now and in the future, in your interest, as well as in the interest of our employees and of all stakeholders! This is the guiding principle in everything we do.

The financial year 2021 brought new examples of success for yourselves and for us. The building of the distribution centre in Koblenz was completed in less than a year, occupied by our e-tailing team in record time, and has meanwhile been crowned by a photovoltaic plant which covers more than 60 % of our annual electricity consumption. And the investment in the InnoHubs building project in Würzburg is already beginning to pay off. Demand from buyers and tenants is confirmation that we are building in the right place at the right time.

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The financial year 2021 was a year of light and shadow. Generally speaking, however, we are satisfied with the result. We want to enable you to participate in our success again. The Management Board and the Supervisory Board is proposing to pay dividend of five cents per share this year as well.

Despite all the uncertainty, we have paved the way forward with our operations. "2022 will be a good year!" – This is what we will be working on.

Marburg, in March 2022

Your Management Board

A blue ink signature, likely of Michael Schmidt, consisting of a large, stylized 'M' and 'S'.

Michael Schmidt

A blue ink signature, likely of Uwe Knoke, consisting of several horizontal, wavy strokes.

Uwe Knoke

A blue ink signature, likely of Andreas Odenbreit, consisting of a large, stylized 'A' and 'O'.

Andreas Odenbreit

Report of the Supervisory Board

Dear Shareholders,

I would like to inform you about the work of the Supervisory Board in 2021 in this report:

Cooperation between the Supervisory Board and the Management Board

Much of the financial year 2021 was unfortunately still very much determined by the COVID-19 pandemic, as was the year before, which naturally also impacted the work of the Supervisory Board. In the financial year 2021, the Supervisory Board kept abreast of the pandemic's development, the measures implemented by the German government, and their effect on the economy in general and on the company's business activities in particular. Based on the reports provided by the Management Board, and having critically examined them in detail, the Supervisory Board ascertained that all the requisite and all other additional voluntary measures were taken with the aim of protecting the health of the company's employees to the greatest extent possible. Health problems and incapacity caused by the pandemic happily remained limited to a few exceptions; there were no severe consequences. The Supervisory Board found that the Management Board reacted appropriately, quickly and flexibly to the additional challenges. Our e-commerce operations nevertheless proved to be affected indirectly in the SHAC segment. Disruptions to and restrictions on the global supply chains of many products and parts had filtered through by mid-year 2021 at the latest, which caused bottlenecks and price increases across the entire construction industry and in other sectors. The Supervisory Board regularly engaged in intensive discussion with the Management Board on this topic.

In any event, 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 2021 as well. The Supervisory Board was able to satisfy itself that all 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 deviations in business performance from planning. The members of the Supervisory Board always 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 dealt in detail with the company's risk situation, liquidity planning and the equity situation. 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.

Between the Supervisory Board's meetings, the Chairman of the Supervisory Board also maintained close and regular contact with the Management Board 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 that would have had to have been disclosed to the Supervisory Board without delay, and about which the Annual General Meeting should be informed.

Meetings and participation

A total of six Supervisory Board meetings were held in the 2021 financial year (27 January 2021, 26 March 2021, 20 May 2021, 19 August 2021, 31 October 2021, 22 December 2021), each of which was attended by all the members of the Supervisory Board. The Supervisory Board meetings all took place as online events. The members of the Management Board participated in the Supervisory Board meetings on 26 March 2021, 20 May 2021 and 19 August 2021. In the other meetings, the Supervisory Board deliberated without the participation of members of the Management Board.

The Supervisory Board consists of three members and has not formed any committees. 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. Similarly, apart from the Supervisory Board meetings, the members of the Supervisory Board regularly discussed matters concerning the company via 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 necessary measures in the various affiliated companies and critically discussed these with the Management Board.

The main topic of the Supervisory Board's discussions with the Management Board and the internal discussions within the Supervisory Board concerned in particular the Group's sales, earnings and business development, as well as the company's financial position. In particular, the Supervisory Board had the Management Board explain and justify in detail any deviations in the course of business from the planned figures and defined targets.

As part of the Group's strategic development, the Supervisory Board consulted on the frequent changes in the framework conditions, above all, with regard to renewable energies and e-commerce, and the requisite measures for adjustment. Regarding the Renewable Energies segment, the Supervisory Board deliberated on plans concerning the continued operation and structure of the plants producing electricity. Various options were thoroughly examined and intensively discussed between the Supervisory Board and the Management Board. In particular, considerations on the further strategic positioning of the business played a key role in this context.

In addition, deliberations focused on the development of e-commerce in the SHAC (Sanitary, Heating and Air Conditioning Technology) segment, in this context specifically progressing with measures initiated to enhance efficiency and improve margins, the relocation of the distribution centre to the new site in Koblenz, the introduction of weclapp as the new merchandise management system, and measures to secure procurement against the backdrop of the global supply chain crisis.

The Supervisory Board also consulted in detail on developments in the telephony companies and in cloud computing. The Supervisory Board devoted special attention to the strong sales and earnings development of subsidiary weclapp SE. It deliberated in

detail on the plans of the Management Board for the subsidiary's market positioning, the strategy for stepping up the subsidiary's organic and inorganic growth, including options for financing and a possible initial public offering.

The Management Board informed the Supervisory Board about the development of the capital market strategy and communication, as well as options for financing further corporate growth through equity measures.

Together with weclapp SE's Supervisory Board, and in agreement with participating members of the management team, several changes in personnel were made to the corporate bodies of weclapp SE and of 3U HOLDING AG companies in the fourth quarter. Michael Schmidt, managing director since the founding of former weclapp GmbH, laid down his office as CFO of weclapp SE as it is known today. He was appointed by weclapp SE's Annual General Meeting as a further member of the company's Supervisory Board. Christoph Hellrung was appointed to the position of weclapp SE's new CFO. After almost ten years in the position, Christoph Hellrung withdrew as CFO of 3U HOLDING AG to take up these tasks at weclapp SE. Uwe Knoke, long-standing CEO and CFO of 3U TELECOM GmbH and other telephony companies of the 3U Group, was appointed to the position of 3U HOLDING AG's new CFO. The Supervisory Board thanks all those involved for their successful commitment to date and their willingness to take on new, additional tasks.

Topics discussed in Supervisory Board meetings also included compliance and corporate governance issues, in particular the efficiency review of the Supervisory Board in accordance with the Corporate Governance recommendations. The Supervisory Board consisting of three members has not formed any committees. It has nevertheless allocated certain remits to the individual Supervisory Board members who regularly report in meetings on developments in their specific areas. In performing this work, not only the issues affected are debated, but efficiency aspects are also deliberated on, as well as the supplementations and improvements which can be incorporated into the process. If appropriate, subsequent implementation is initiated.

The German Corporate Governance Code suggests that the Chairman of the Supervisory Board should be prepared to discuss Supervisory Board-specific issues with investors within an appropriate framework. The Chairman of the Supervisory Board 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 2021 financial year by Bonn-based auditing company Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft which was commissioned to audit 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 (AktG) in an appropriate manner and that the existing 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.

A further focus of deliberations was the establishing of a new remuneration system for the Management Board in compliance with Section 162 of the German Stock Corporation Act and reflecting the rules of the second Shareholder Rights Directive Implementation Act. The remuneration system as defined by the Supervisory Board was approved by the shareholders at the Annual General Meeting in May 2021. Adjusting the Supervisory Board's remuneration was ratified 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, discussed the new version effective in the financial year 2020 in detail, and derived the necessary consequences. In 2022, the Management Board and the Supervisory Board also issued a Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act. 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 reported on corporate governance at 3U HOLDING AG, also on behalf of the Supervisory Board, in its corporate governance statement issued in accordance with Sections 289f and 315d of the German Commercial Code (HGB). Reference is made to the statement in the combined management report on the 2021 financial year. It is also permanently available for viewing on the website of 3U HOLDING AG (www.3u.net) under the “Investor Relations/Corporate Governance” heading.

Audit of the 2021 annual financial statements at company and at Group level

Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Bonn, was elected as the independent auditor by the Annual General Meeting on 20 May 2021 and was engaged accordingly by the Supervisory Board to audit the separate and the consolidated annual financial statements. 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, and the consolidated financial statements prepared in accordance with IFRS, together with the combined management report for the financial year 2021, were audited respectively 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 6 April 2022. 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 2021; the annual financial statements are thereby adopted.

The Supervisory Board thanks the members of the Management Board and all the employees of the Group for their performance and commitment in the financial year 2021.

Marburg, 6 April 2022

The Supervisory Board



Ralf Thoenes, Chairman

Highlights

January 2021

- **weclapp joins sector association Bitkom as a member**

weclapp SE joins Bitkom – Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e. V. – at the start of 2021. weclapp experts collaborate on the topics of data security and artificial intelligence in the “ERP Trend-Check 2021” Bitkom white-paper.

- **weclapp awarded best ratings in the Trovarit ERP user satisfaction study**

weclapp users express above-average satisfaction with their ERP system, as revealed by Trovarit AG’s “ERP in Practice” this year. With a rating of 1.6 in the overall assessment (school grades from 1.0-5.0), weclapp surpasses well-known heavyweights partly by a wide margin. Our cloud-based universal ERP platform therefore occupies a top place in the league table of comparable systems.

- **weclapp invests in internationalisation – cooperation in Italy**

weclapp has steps up the international marketing in Europe of its cloud-based ERP platform of the same name and enters into a cooperation with the INFOMINDS Group. With a workforce of 120 employees and 2,000 customers, INFOMINDS ranks among the leading independent producers and implementers of business software (ERP solutions) in northern Italy and will be marketing the cloud-based weclapp ERP platform exclusively throughout Italy.

March 2021

- **weclapp wins the “Enterprise Resource Planning” B2B award**

weclapp wins the German B2B award 2020/21 in the “Enterprise Resource Planning” sector. The company takes first place in the “price/performance ratio” category. Only providers that had at least 100 ratings are included in the final evaluation. weclapp is also selected among the Top 3 of 20 ERP solutions in the categories of “customer satisfaction” and “customer service”. Across industries, weclapp comes 38th in a group of 1,370 evaluated companies thanks to its top rating in the ERP industry.

April 2021

- **ESMA upgrades 3U share to higher liquidity band**

3U HOLDING AG’s share is upgraded from liquidity band 1 to liquidity band 2 (of a possible six) by the European Securities and Markets Authority (ESMA) in the context of its annual review.

In the price range in which the 3U share is currently trading, namely between EUR 2.00 and EUR 5.00, the tick size of EUR 0.02 applicable to the 3U share (smallest possible price increment in stock exchange trading) has consequently been reduced to EUR 0.01. The 3U share’s trading volume increased significantly in 2020 compared with 2019. The daily average turnover of the 3U share on Germany’s leading stock exchanges and trading platforms stood at around EUR 94,000. In 2019, daily turnover averaged around EUR 50,000.

- **weclapp SE embarks on preparations for an IPO**

Having evaluated recommendations from various banks and consulted the Supervisory Board, weclapp SE's Management Board takes the decision to embark on preparations for an initial public offering and to mandate the underwriting banks. At the current stage in the process, a public offering and admission of the shares to trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange are being considered. Once all the prerequisites have been fulfilled – and especially if market conditions are favourable – an IPO could take place at the end of 2021 or in the first half of 2022.

The proceeds from an IPO are to be used to enable weclapp to accelerate its international growth through acquisitions and through investing further in marketing and sales, research and development.

- **3U ends its participating interest in Joint Venture Spider Telecom GmbH**

3U HOLDING AG sells its share of 50 % in joint venture Spider Telecom GmbH to the current co-shareholders. The company's revenue had been in steady decline in recent years. The 3U TELECOM GmbH will continue to be a service provider for this company. The management capacity this measure frees up is to be harnessed in future for the 3U Group's growth areas.

May 2021

- **3U online trader selfio.de ranks among the Top Shops of COMPUTER BILD and Statista for the fourth time**

selfio.de, our leading e-tailer, is admitted to the league of Germany's best online stores by the magazine COMPUTER BILD and the market research portal Statista. selfio.de ranks among the Top 25 Shops 2021 in the "Home Technology" segment. The "technical quality" was rated "very high", the "user-friendliness" is considered "excellent" by the testers. The company's slogan "Do it yourself. But do it right" is the consistent central theme throughout the entire market presence of 3U online trading, which is one of the central strategic focuses of the 3U Group.

The long list for this year's ranking included 7,629 online shops. A total of 79 criteria were screened in the detailed study. "Technical quality" was rated as "excellent" for two of the top 25 shops in the "Home Technology" segment, "very high" for 18, and "high" for five. Ease of use was "excellent" for nine participants, "very high" for nine, and "high" for seven.

- **3U e-commerce business moves to a new distribution centre in Koblenz on schedule**

3U HOLDING AG will be distributing the products of the Group's SHAC segment (Sanitary, Heating and Air Conditioning Technology) in future from its newly built warehouse and logistic centre in Koblenz Business Park. The building, designed specifically for the expansion and optimisation of the supply chain, was completed in May and is operated by 3U subsidiary PELIA Gebäudesysteme GmbH. The company is also responsible for the logistics of the entire segment, among other things. The PELIA team engineered the relocation of all inventories in just three days, while ensuring immediate and full delivery capability. All 3U goods traded online, especially Selfio GmbH products, will be shipped in future to online customers from the new distribution centre. PELIA also supplies craft enterprises and other business customers from here.

The distribution centre has increased the capacity of the Group's SHAC segment to 15,300 square metres of gross floor space with 14,000 square metres of warehouse and logistics space.

The 3U Group operates successfully in the megatrend of e-commerce through its subsidiaries, and especially through Selfio as an online store. 3U's online trading in systems and components for DIY enthusiasts and do-it-yourselfers under the motto "Do it yourself, but do it right!" has doubled its sales volume over the last five years. With plans for further dynamic growth in mind, 3U has been forward looking in creating new capacities and by investing around twelve million euros in the construction of the new site.

June 2021

- **Data security accorded top priority: 3U TELECOM renews ISO-27001 certification for the computer centres in Berlin and Hanover**

3U TELECOM GmbH obtains renewed ISO 27001 certification for its information security management system (ISMS) at its data centres in Berlin and Hanover. The ISMS specifies the procedures and rules in an organisation which serve to permanently define, manage, control, maintain and continuously improve information security. As an external, independent testing authority, TÜV NORD CERT GmbH conducts a three-and-a-half-day re-audit for the purpose of renewing the certificate of the internationally leading standard for information security.

Certification is not required for 3U TELECOM. However, it enables the company to fulfil its own requirements for maximum level information security for customer data and customer systems. The recognized seal of quality serves as proof for customers and partners that information security is practiced on a daily basis – participating in the demanding audit also raises the security awareness of employees. Along with management, information, information security and data protection officers, a number of other employees were involved in ensuring the audit's stringent testing requirements were successfully met.

July 2021

• **weclapp SE takes over ITscope GmbH**

The acquisition of ITscope GmbH considerably expands weclapp SE's service offering. ITscope operates a cloud-based B2B e-commerce platform as a SaaS solution which enables service providers such as system vendors to digitalise their sales and procurement operations and to set up automated sales and purchasing processes for customers and suppliers. ITscope has developed functionalities specifically for the highly automated management of product information and digital objects, for marketing purposes (PIM/DAM) for instance. These functionalities will also be extremely useful for weclapp customers in various industries. Conversely, the ITscope.com platform will now also be used by other sectors. weclapp and ITscope anticipate further profitable growth from joining forces!

ITscope currently has a customer base of around 3,000 companies. In addition, more than 400 distributors (IT wholesalers) across Europe are linked up as data and product suppliers. ITscope's business activities are to be continued under the former management, keeping the brand as it is. We give our new staff members a warm welcome to the 3U Group at the Karlsruhe location.

August 2021

• **3U subsidiary InnoHubs GmbH builds innovative centre to promote dialogue between the business and scientific communities**

InnoHubs GmbH, a subsidiary of 3U HOLDING AG, holds a groundbreaking ceremony to mark the start of construction work on a forward-looking project. Industrial and service companies seeking to engage directly with the business and science communities on topics such as digitalisation and artificial intelligence will settle in "InnoHubs". The centre is located close to the Julius Maximilian University's Campus Nord, and a stone's throw from the University of Applied Sciences Würzburg-Schweinfurt. weclapp SE, another 3U subsidiary whose CEO Ertan Özdil was one of the first to promote this project, will be one of these companies.

The location holds special appeal for weclapp as the University of Würzburg as Bavaria's central research location for AI is currently building CAIDAS, Center for Artificial Intelligence in Data Science, in the neighbourhood. Around 50 additional high-tech professorships are to be created in Würzburg over the period until 2023. weclapp's research team is set to engage here with teachers and students to work on innovative research ideas.

• **Arne Henne appointed to the Management Board of weclapp SE**

In the role of weclapp SE's Chief Revenue Officer (CRO), Arne Henne will make a decisive contribution to driving the development of weclapp SE, both in Germany and in the international arena. He takes up his position with immediate effect.

Arne Henne (born in 1983) has gathered long-standing experience in online marketing and sales and from holding key management functions at international – also listed – companies and organisations. Among other positions, he headed up the SME business for Facebook in Europe, Africa and the Middle East (EMEA) for several years and subsequently built up the partnership business of Yext (www.yext.com), an AI pioneer for digital online search functions, in the same regions.

September 2021

- **Photovoltaic plant installed on the 3U distribution centre in Koblenz**

Sustainability and efficiency are not polar opposites, as once more clearly illustrated by 3U HOLDING AG building a photovoltaic plant on the roof of its distribution centre in Koblenz. The distribution centre, which is operated by subsidiary PELIA Gebäude-systeme GmbH for 3U's online business, has a roof area of around 14,000 square metres. A large part of this roof has now been covered by the installation of 810 photovoltaic modules with a nominal output of 299.7 kWp. Five powerful converters ensure that the power generated in the distribution centre is used by the centre and any surplus fed into the grid. Up to 60 % of the location's annual power consumption is covered by the photovoltaic plant, enabling the company to save around 132 tons of CO₂ a year. The use of self-generated solar power is also much cheaper than sourcing from an energy provider. The production costs are estimated at less than 6 cents per kilowatt hour. Economic viability calculations predict that the investment of around kEUR 250 will have amortised within a space of around seven years.

October 2021

- **weclapp SE takes over FinanzGeek start-up**

3U HOLDING AG subsidiary weclapp takes over all the shares in FinanzGeek GmbH. The cloud-based Software-as-a-Service (SaaS) solution of the same name offers self-employed persons and micro enterprises the significant advantages of a comprehensive corporate software, is aligned to the requirements of this market segment, and can be harnessed, irrespective of the sector. The market launch is scheduled for the first half of 2022.

November 2021

- **Personnel changes within the Group**

Effective 1 November 2021, the Group's management team is reconfigured for the future in accordance with the customary governance standards and principles.

In agreement with the managers involved and in the context of preparing for a possible IPO of weclapp SE, 3U HOLDING AG's Supervisory Board and weclapp SE's Supervisory Board carry out several personnel changes to the corporate bodies of the two companies:

Michael Schmidt lays down his office as CFO of weclapp SE. He is appointed by an extraordinary Annual General Meeting of weclapp SE as a further member of the company's Supervisory Board. He remains CEO of 3U HOLDING AG.

Christoph Hellrung is appointed as the new CFO of weclapp SE at the start of November. After almost ten years in the position of CFO of 3U HOLDING AG, he is to take up these tasks at weclapp SE. His successor as CFO is Uwe Knoke, long-standing CEO and CFO of 3U TELECOM GmbH and other companies of the 3U Group.

December 2021

- **3U TELECOM wins new customers**

3U TELECOM continues to successfully expand its business and creates a sound basis for its future development. In the Data Center Services (DCS) business line, new customers in particular have released capacities, thereby raising the capacity utilisation of data centre facilities in Berlin and Hanover from around 50 % in January 2021 to currently more than 80 %. The ISO 27001 certification, confirmed in June 2021, proves to be a further key competitive advantage. Over the last twelve months, new contracts were signed with a total of 14 network operators and service providers.

Against this backdrop, 3U TELECOM GmbH expects to chart its positive development in the coming year as well.

3U Share

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The 3U share at a glance

International Securities Identification Number (ISIN)	DE0005167902
Wertpapierkennnummer (WKN) [Securities Identification Number]	516790
Stock exchange symbol	UUU
Transparency level	Prime Standard
Designated sponsor	BankM – Repräsentanz der Fintech Group Bank AG
Initial listing	26 November 1999
Registered share capital in EUR as of 31 December 2021	EUR 35,314,016.00
Registered share capital in shares as of 31 December 2021	35,314,016
Share price as of 31 December 2021*	EUR 3.95
Share price high in period from 1 January to 31 December 2021*	EUR 4.67 (4 November 2021)
Share price low in period from 1 January to 31 December 2021*	EUR 2.22 (6 January 2021)
Market capitalisation as of 31 December 2021	EUR 139,490,363.20
Earnings per share (undiluted) as of 31 December 2021	EUR 0.08

*Xetra closing price, last day of trading in 2021 was 30 December 2021

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.

General market development

The DAX as Germany's leading index commenced the stock market year on 4 January 2021 at 13,890 points and, after a number of setbacks, including in July and September, reached a new record high of 16,251 points on 17 November 2021. Since then uncertainty has gripped investors all over the world again. The pressure to sell was fanned by fears about tensions between Russia and Ukraine, China and Taiwan, the resurgence of the coronavirus pandemic with new mutations, the strong price uptrend, and uncertainty about the interest rate response of central banks. For this reason, the DAX also closed on the last day of trading on 30 December 2021 below its last high of 15,885 points, but nevertheless delivered an annual performance of +15.7 %).

Both the European Central Bank and the Fed kept key interest rates at a consistently low level throughout the whole of 2021, namely at 0 % in the eurozone and at 0.25 % in the US. This interest rate policy and a further expansion of the monetary volume induced many investors to build up equity positions in 2021 as well.

Whereas the year 2020 was dominated by the COVID-19 pandemic in economic, political and social terms and the measures to combat it, the year 2021 did not bring any letup to the situation caused by the virus. Major hopes were pinned on the availability of a vaccine in Germany, Europe and across the world. In December 2021, more than 132 million doses of the vaccine were administered in Germany, worldwide around 8.4 billion. The number of new infections at the end of 2021 was nevertheless higher than at the beginning of the vaccine rollout. As in 2020, all necessary and suitable measures were taken in the Group of 3U HOLDING AG

in order to safeguard its employees and its business against damage and loss. Health problems and incapacity caused by the pandemic remained limited to a few exceptions; there were no severe consequences. Our e-commerce operations nevertheless proved to be affected indirectly. Disruptions and restrictions on the global supply chains of many products and parts had filtered through by mid-year 2021 at the latest, which caused bottlenecks and price increases across the entire construction industry and in other sectors.

Performance of the 3U share

The stock exchange value of 3U HOLDING AG climbed a good 71 % over the course of the year, thus outpacing German and international indices. The start of the year 2021 saw the 3U share continuing its uptrend from the previous year. The good performance of 2020 and the expectation of further steps towards a possible initial public offering (IPO) of subsidiary weclapp SE encouraged further investors to commit to 3U: By the beginning of April, the share price had risen by around 45 % to EUR 3.34.

In April we announced that the preparations for a possible IPO, with the imminent mandating of a bank consortium, had entered a new phase. The share subsequently entered a sideways trend.

At the beginning of September, we presented the status and outlook of 3U and of weclapp at conferences in Frankfurt and Zürich. In accordance with information in the six months' report, we referenced external factors of influence that were adversely affecting our business in the Renewable Energies and SHAC segments. Due to weather conditions on the one hand, and supply bottlenecks in industry, on the other, this situation would result in the full-year only reaching the lower end of our forecast range. Similarly, in accordance with information released in the six months' report, we discussed the option, conditional on a favourable market environment, of planning for a possible floating of weclapp on the stock exchange in the first half of 2022.

Intensive information and communication prompted further demand for our share; on 10 September 2021, the share price exceeded the EUR 3.50 mark for the first time, and was quoted at more than EUR 4.00 on 29 September. Over the course of the month of September 2021, the share price climbed by another 23 % to EUR 4.20, bringing the 3U share to a price level last seen more than 20 years ago.

Having peaked at EUR 4.67 on 4 November 2021, the share price subsequently declined, likely attributable to profit-taking and, in equal measure, to the global correction of the stock markets, in particular the technology sector.

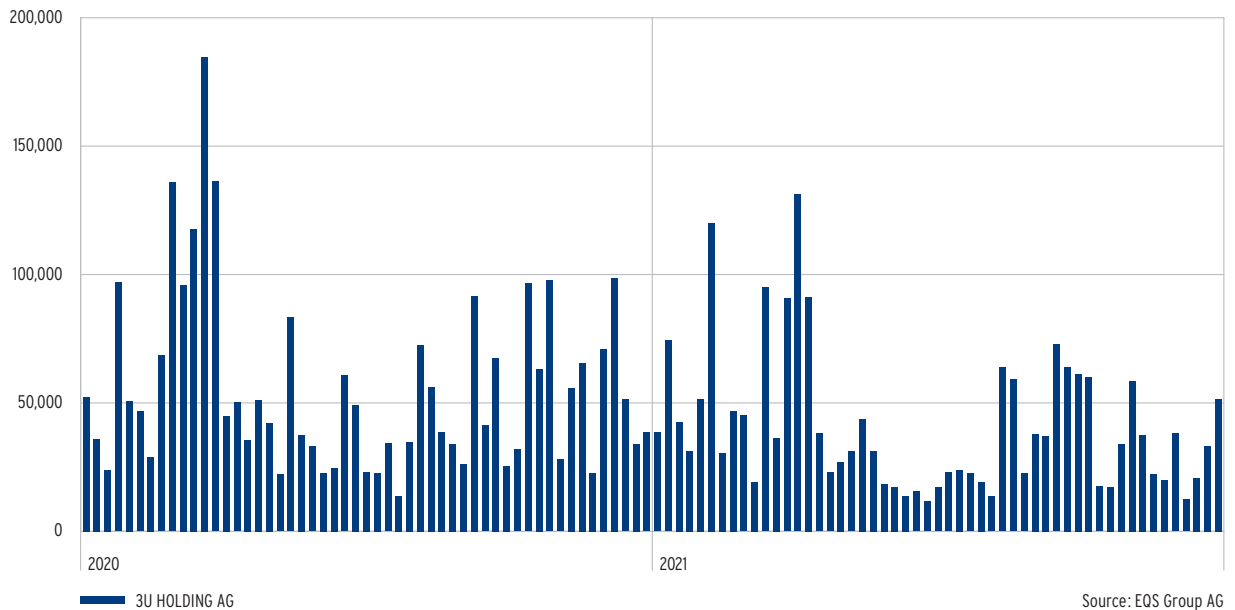
Performance of the 3U share* from 1 January 2021 to 31 December 2021 benchmarked against the Prime All Share Index



* Tagesschlusskurs Xetra

In terms of units, the 3U share's liquidity dipped slightly over the course of the year, as opposed to the volume-weighted turnover of the 3U share that rose from EUR 23.55 million in 2020 to EUR 34.16 in 2021.

Trading volume of the 3U share from 1 January 2020 to 31 December 2021 (Average daily trading volume of the share per week)

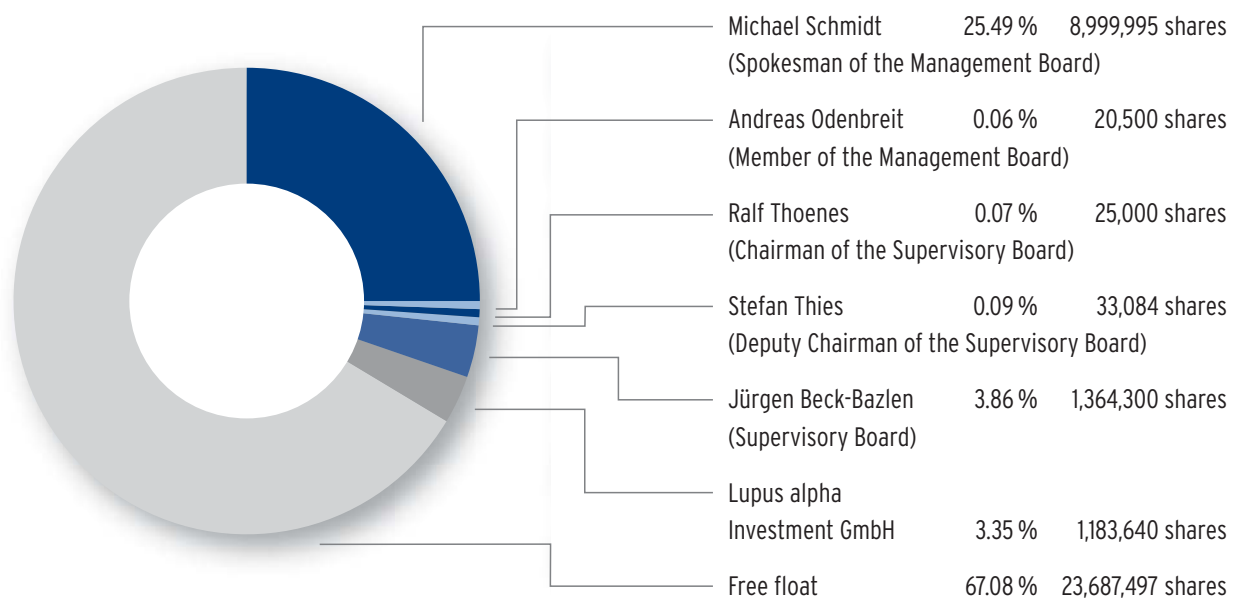


At the start of the current year 2022, the share price also declined, thereby mirroring the markets.

In 2021, the rapid increase in the value of the 3U share was also driven by upside momentum associated with the flotation of weclapp SE. The valuation haircut sustained by most technology shares in 2022 caused uncertainty among investors concerning the financing option of an IPO and led to profit-taking. As from the second half of the first quarter of 2022, price losses were partly accompanied by very low share numbers.

Continuing intensive communication with the capital market has been planned in 2022 in order to boost the interest in the 3U share.

Shareholder structure as of 31 December 2021



Investor Relations

In the financial year 2021, 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. Here 3U focuses on the mega trends of cloud computing and e-commerce as high-growth areas of business offering the promising prospect of attaining leading market positions.

As the management and investment holding, 3U HOLDING AG operates several business models. In this context, one of 3U Investor Relations' major objectives is to promote an understanding on the capital market for its various competitive positions and prospects, and to report continuously on developments and progress. These measures are aimed at steadily expanding the group of parties interested in 3U, in terms of geographical reach covering other financial centres, as well as other investor classes and disseminators. This approach is also designed to boost the share's liquidity.

We place great importance on maintaining close contact with our investors. Along with conventional information channels, such as our www.3u.net and our newsletter, we used and further expanded our communication channels in 2021. We report on 3U and the mega trends we engage in under the slogan of "Success in Mega Trends", provide background information and encourage dialogue at all levels. Along with our YouTube channel, a profile was created for 3U on LinkedIn which comments on and disseminates current market information and topics from 3U's three segments.

Investor Relations is flexible in adapting the group of media and channels to current requirements. We increasingly supplement the communication of the quarterly and half-yearly figures by adding virtual formats and social media, 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 www.3u.net website and on 3U's YouTube channel for all interested parties. 3U's Investor Relations therefore consistently fosters open and trustful communication with all shareholders, investors and other capital market participants.

Investors follow discussions about weclapp SE's potential IPO with keen interest. With a view to creating the greatest transparency possible, and beyond the scope of what is legally required, weclapp published an annual report for the financial year 2021, including audited separate and consolidated financial results, pursuant to IFRS.

A total of 27 press releases were distributed in the financial year 2021, including an insider information disclosure within the meaning of Article 17 of the EU's Market Abuse Directive. The number of subscribers to our newsletter rose from 403 to 471 over the course of the year. Subscribers won over the course of the year via the new LinkedIn profile numbered 110. We published 59 postings in 2021, 19 of which elicited comments from or were shared by LinkedIn users.

We continued the broad-based research coverage in the financial year to give investors access to the various overviews of third-party corporate research. All reports can be downloaded from our website. A monthly fact sheet supplements the overview of the

3U share on the website. The most recent analyst recommendations of the financial year 2021 are as follows:

Analyst	Last update	Recommendation	Share price target in EUR
SMC Research (Dr. Adam Jakubowski)	17/11/2021	Buy	4.40
GSC Research (Jens Nielsen)	26/11/2021	Buy	4.50

Our collaboration with Hauck & Aufhäuser ended in the fourth quarter of 2021.

Our Annual General Meeting, held virtually for the first time on 20 May 2021, met with an enthusiastic response and was generally positively received. Management responded fully and in detail to the questions and contributions of our shareholders. Recordings of the Management Board's spokesperson and responses to the questions have been made permanently publicly available on YouTube and 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 interest, also of institutional investors, continued unabated and was even keener in 2021. Company representatives presented 3U HOLDING AG at the spring and autumn Equity Forum conference held in Frankfurt, at a Family Office Day in Vienna, and at the German Equity Forum in Frankfurt, all of which were held virtually and drew wide participation numbers from the international community. Our presentation at the Zürich Capital Market Conference met with strong investor interest.

3U HOLDING AG's virtual road shows were broadcast to international investors in France, Spain, Sweden, Denmark, Benelux, Switzerland and the UK.

The members of weclapp SE's Management Board engaged in dialogue with many technology savvy international investors at the virtual road shows and conferences. This intensive contact with investors by weclapp management also enhances the perception of the parent company and thus of the 3U share.

In 2022, we will reap the benefit of our experience in virtual formats and seek and foster open and trustful dialogue on all levels. Informing all capital market participants comprehensively, with a high degree of transparency and approachability – also in times of social distancing: This remains the focus of our communication – and our aspiration.



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24 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). It manages and monitors all important activities within the Group. Defining the corporate strategy and directing the development of 3U form part of its tasks. It is in charge of 3U’s accounting and controlling, operates the groupwide risk and opportunities management, including compliance management, and oversees the Legal, Investor Relations and Corporate Communication departments.

3U HOLDING AG 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 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.

Its core business is currently essentially combined under the segments of ITC (Information and Telecommunications Technology), Renewable Energies and SHAC (Sanitary, Heating and Air Conditioning Technology).

Under its corporate strategy, 3U HOLDING AG places special emphasis on the main growth drivers of cloud computing (in the ITC segment) and e-commerce (in the SHAC segment), while also operating other business lines in its three segments.

The ITC (Information and Telecommunications Technology) segment comprises several business lines.

Group companies operating in the telecommunications technology business provide services in the areas of voice retail, voice business and data centre services and operation. The Voice Retail business line 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 secure data centre capacity is served in the Data Centre Services & Operation business line. Our data centres in Berlin, Hanover and Marburg provide an extensive offering of services. They offer corporate customers active support and operation of their IT environment (managed IT) as well as operation of virtual servers (Infrastructure-as-a-Service (IaaS)), but also make space available for setting up servers (collocation).

The highest growth and highest margin business line in the ITC segment is cloud computing. Group company weclapp SE develops and operates a cloud-based transaction platform for corporate software. weclapp offers Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) as key functionalities. Customers include small and medium-sized businesses (SMBs) that conduct their business extensively via the weclapp platform and acquire usage rights for this purpose (Software-as-a-Service (SaaS)), generally for one or several years. The service portfolio currently comprises three different packages which can be used on a monthly basis respectively or with one- or two-year contracts against a license fee. The resulting long-term commitments promote recurring revenue while facilitating short- and medium-term financial planning.

In the financial year 2021, weclapp acquired SE all the shares in two companies which it consolidated as a subgroup of 3U, effective 31 December 2021. At the present point in time, a range of management tasks in this context is being established in the form of independent processes of weclapp which are nevertheless still integrated into the consolidated group, including accounting, law and compliance, risk and opportunity management and corporate communication.

The acquisition of ITscope GmbH at the end of the third quarter of 2021 served to considerably expand the range of SaaS services. ITscope has developed a B2B platform as the basis of a growing and profitable business. Along with ITscope's customer base and highly qualified IT personnel, this business constituted the main motivation for acquiring the company. With this modular, cloud-based platform, ITscope currently supports system vendors in particular, their B2B customers, IT hardware manufacturers and distributors in efficiently handling their e-commerce, sales and procurement processes. Customers can book a number of different service packages from ITscope against a flat rate user fee. Contracts generally have a term of twelve months and are billed on the basis of monthly fees depending on the scope used and the number of users at the customer.

One of the key technologies underpinning ITscope's business model is its proprietary PIM/DAM functionality (Product Information Management and Digital Asset Management). PIM and DAM feature count among the key factors for success in e-commerce and are therefore of great interest to a large number of customers on the weclapp platform. weclapp plans to make these functionalities available to weclapp platform customers and, vice versa, to open up the ITscope platform for use in other sectors.

Worms-based FinanzGeek GmbH has also been part of the weclapp Group since October 2021. The start-up has developed a platform which offers freelancers and micro-enterprises across sectors the core advantages of a business software. The platform has reached the final stage of development and is currently being tested by around 300 users. The market launch is scheduled for the second half of 2022. Similar to the weclapp platform, fees are to be charged for the use of the FinanzGeek platform, as far as possible in the context of longer running subscriptions and against prepayment.

The successful integration of the newly acquired business models is critical for further growth in cloud computing, flanked by the realisation of the anticipated growth and income potential. The growth strategy going forward is focused on intensive development work in expanding the weclapp platform and supplementing the range of functions by adding artificial intelligence components, continuing and ongoing development of marketing, successful entry into new international markets, as well as, if appropriate, further acquisitions of technologies, companies and/or customer bases.

In the Renewable Energies segment, 3U is active as the owner and operator of wind energy and photovoltaic plants. Against the backdrop of political framework conditions, emphasis is meanwhile no longer being placed on the project development of new wind farms. Success in this segment therefore depends on weather conditions and the technical quality and availability of the respective facilities. In the case of plants which are not eligible for subsidies under the German Renewable Energies Act, our supply contracts are concluded with conditions based on prices that can be commanded in the market. In entrepreneurial terms, growth can currently be achieved through acquiring other generating capacities. Increasing the value in the portfolio may, if the opportunity arises, be realised by selling assets.

Selfio GmbH is the largest and most promising Group company in the SHAC (Sanitary, Heating and Air Conditioning Technology) segment. The company offers builder-owners, renovators 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, the ongoing development of professional online marketing above all, including the efficient management of offerings and prices, with the requisite logistics infrastructure and processes, are key to safeguarding and generating competitive advantage in e-commerce.

The supply chain management for e-commerce is the responsibility of PELIA Gebäudesysteme GmbH, a Group company which also supplies third parties. Two other companies currently operate to a smaller extent in the business of leasing professional machinery and tools for tradesmen, DIYers and self-builders, as well as providing support for and supplying tradesmen.

Main locations

The various businesses of 3U HOLDING AG's Group operate out of several locations. The parent company is based in Marburg where it provides holding services for the companies and operates its business of acquisition, administration, and the sale of participations, as well as managing its own assets.

This location is also the site of the telecommunications business with several individual companies.

Marburg is also home to weclapp SE's product management and customer support though the company also maintains two other locations at present. weclapp's head office is situated in Frankfurt am Main. Research and development are concentrated in the Kitzingen location. The subsidiaries ITscope GmbH and FinanzGeek GmbH acquired in 2021 are based in Karlsruhe and Worms respectively.

In the financial year 2021, a large part of the SHAC segment relocated to the new distribution centre with extensive office premises in Koblenz. Selfio GmbH is headquartered in Bad Honnef.

The construction of office premises in Würzburg commenced in August 2021. In future, this will house a centre of research and development on the topics of artificial intelligence.

The portfolio of wind farms in Lower Saxony, Mecklenburg-Western Pomerania, Brandenburg and Saxony-Anhalt are managed from Marburg. The Lüdersdorf wind farm in Brandenburg was sold at the end of 2020. Since then, 3U no longer has a location in Brandenburg.

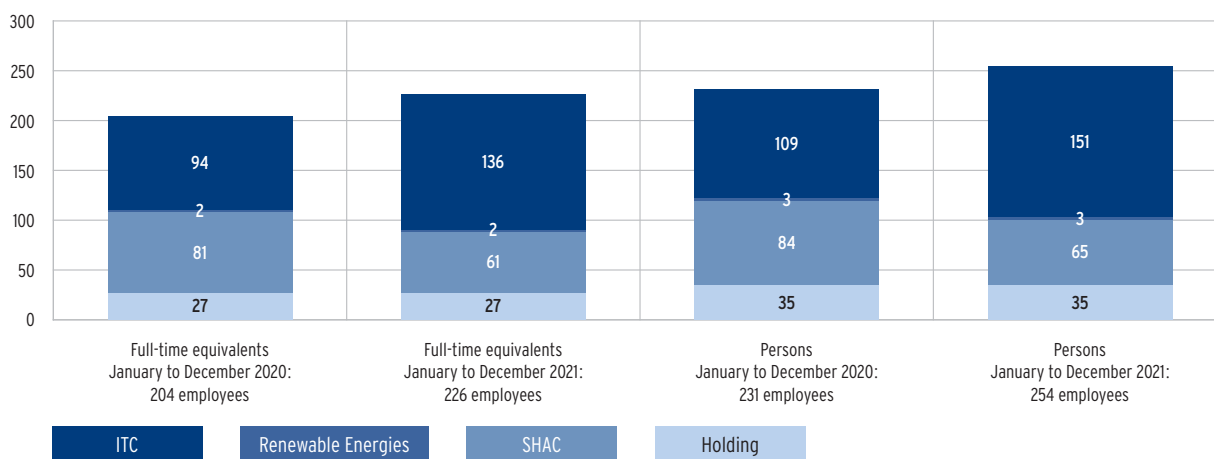


Employees

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 steady improvement play a key role here. 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 2021, the 3U Group had a workforce of 311 people (including Management Board members, temporary employees and part-time staff; 31 December 2020: 218 people). The sharp increase in personnel numbers is due in particular to changes at subsidiary weclapp SE which recruited new employees in line with its rapid growth. In addition, weclapp increased its headcount by another 61 people in total at the start of October 2021 through its acquisition of ITscope GmbH and FinanzGeek GmbH. In the fourth quarter of 2020, 19 persons in the employ of ClimaLevel Energiesysteme GmbH left the Group.

Converted into full-time equivalents, the 3U Group employed 277 persons at the end of the year (31 December 2020: 193 full-time equivalents). The average annual number of employees stood at 226 (full-time equivalent, excluding Management Board members respectively; 2020: 204). They are distributed among the individual segments as follows:



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 places special emphasis on retaining and safeguarding the experience and skills which employees contribute, gain through their activities, and put at the disposal of the customers and the company. Loyalty to 3U is additionally strengthened through a range of measures focusing on social aspects. In 2020, these endeavours were reflected in a slight decline in fluctuation. The number of employees who have left the

Group as a percentage of the overall workforce (average number of people in the reporting period) declined from 19.7 % in the financial year 2020 to 18.9 % in the reporting year. Only 6.7 % of the employees left the company at their own wish (previous year: 4.7 %).

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. The COVID-19 pandemic necessitated special measures in the financial year 2021, as in the year before.

In order to protect and foster the health of our employees, also set apart from the current pandemic situation, targeted measures have been 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 increases safety at the workplace. As in the preceding years, no workplace accidents resulting in permanent damage to an employee's health were reported in the financial year 2021. The number of sick leave days per employee nevertheless rose to 9.3 (previous year: 7.6 sick leave days per employee).

Information on health and healthcare does not include newcomers ITscope and FinanzGeek which joined in the fourth quarter of 2021.

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 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, accompanied by information in the form of a monthly forecast and liquidity development.

The management system is geared to revenue planning and to targets for EBITDA and earnings after taxes for the following 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.

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General conditions

The year 2021 was dominated by the development of the COVID-19 pandemic and by the legislative and government measures enacted to combat it. As opposed to the financial year 2020, the 3U Group's business was unable to decouple from the impact of the pandemic. The SHAC segment was particularly affected by disruptions to global supply chains, along with prices in an uptrend which presented a challenge for the entire construction industry and, by mid-year at the latest, restrictions on the availability of goods.

In response to the pandemic, 3U HOLDING AG's Management Board took extensive precautionary measures for the protection of the employees, issued instructions on hygiene and restrictions on contact throughout the Group, offered permanent access to testing, recommended home office wherever possible and expedient, and made compensation payments to the employees at the end of the year for burdens related to the pandemic.

Aside from these exceptional factors of influence, the business models of 3U's various segments were exposed in varying degrees to a wide range of macroeconomic and regulatory conditions. As 3U's business is mainly conducted in Germany, the German economy, as well as both local and European economic, energy and climate policies, exert a significant influence on the Group's prospects.

3U's activities in the telecommunications sector and in renewable energies are subject to a great degree to stringent regulatory requirements and the changes arising from these requirements, which often occur at short notice and are difficult to assess.

The general economic development influences the investment propensity of companies and private households. In the company's environment, the economic trend impacts more on demand for suitable enterprise software which enables newly founded as well as medium-sized companies to optimise and automate their business processes with a view to gaining or safeguarding competitive advantage. High levels of business activity also generate a relatively large volume of calls which continue to be handled to a large extent via fixed line in the business environment. Working from home places 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 is 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.

In order to avoid redundancies, and in the interest of facilitating readability, information on sector-specific expectations for the financial year 2022 and partly beyond have been integrated into this section.

Development of the macroeconomic environment

As in the previous year, global economic and commercial activities in 2021 were determined by the ongoing development of the coronavirus pandemic which also caused supply and materials shortages in many sectors. Following the sharp decline in Germany's economic output in 2020, the gross domestic product (GDP) expanded by 2.7 % in 2021. In Germany as well as in the international arena, supply-side bottlenecks have placed constraints on growth, at the latest since the second half of the year. At the same time, the manufacturing sectors in particular raised price-adjusted gross value-added by 4.4 % compared with the previous year. The economic output of service providers also rose by 5.4 %. According to its annual economic report, the German government anticipates a slight upturn in GDP growth of 3.6 % in 2022 as well.

The situation on the labour market recovered in the second year of the pandemic. On average, 2,613,000 people were unemployed in Germany in 2021; the unemployment rate fell by 378,000 over the period from December 2020 to December 2021. At 2,330,000, the number of unemployed in December 2021 was only around 100,000 more than in December 2019, and therefore comparable to a pre-pandemic month. The use of cyclical short-time work peaked at a historical level of 6.0 million in April 2020. This figure then declined steadily once the COVID-19 pandemic measures were eased. The number of short-time workers climbed again in the second lockdown to 3.4 million in February 2021, and then subsequently dropped to 710,000 in October 2021.

The inflation rate rose over the course of the year. In July alone it jumped by more than one percentage point to 3.8 %, subsequently reaching 5.3 % in December. The annual inflation rate therefore averaged 3.1 %. According to the Federal Statistical Office (Destatis), this is the highest inflation rate since 1994. Energy prices were a special factor contributing to this development. The electricity price index, for instance, reached an annual average of 149.6 (electric current, supplied to special contractual customers) in 2021, up from 114.5 in 2020.

Uncertainty regarding economic data and expectations prevailed at the end of the financial year 2021: In December 2021, the ifo economic forecast referred to a shift in economic momentum from next year into the year thereafter, triggered by the fourth wave of the coronavirus and production difficulties in the manufacturing sector. Retailers and consumer-oriented service providers revised their estimates downwards. At the same time, the indicators available on 14 December 2021 showed that this slowdown would be a great deal less pronounced than in the year before during the- necessitated by the second and third coronavirus waves.

According to the ifo business climate index, the German economy got off to a subdued but positive start to the new year despite further reservations. The index climbed to 95.7 points in January 2022, following on from 94.8 points in December. Although the companies' assessment of the current situation had deteriorated somewhat, expectations nevertheless brightened considerably. In the manufacturing sector, the index made a large leap forwards. Companies expressed more satisfaction with the way business was developing. In addition, optimism with a view to the coming months also improved. The situation with supply bottlenecks of primary products and raw materials is showing signs of easing. Capacity utilisation advanced from 84.9 % to 85.6 %. The assessment of the situation in a number of sectors has scarcely improved since December, although there is less pessimism for the subsequent period. Following three downturns in a row, the business climate index in the service sector has now risen again. Trading companies' expectations also improved. Considerably more companies in the retail business were taking a more optimistic view of the future again.

Russia's invasion of Ukraine is nevertheless likely to have significant impact on Germany's economy as well. The level of uncertainty has risen appreciably, and the resulting surge in energy prices raises inflation and reduces real buying power. In the current environment, which has significantly deteriorated, economic growth is now anticipated at only 2 % in 2022 and 3 % in 2023.

If the situation escalates further – depending on the scope of any counter-sanctions – a recession may even be on the cards. Another sharp increase in energy prices has put paid to the anticipated drop in producer prices. Inflation expectations have generally increased instead. This scenario has so far not impacted the labour market and is only likely to do so in the event of a weaker economy against the backdrop of the escalating Ukraine crisis.

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, 3U deploys a range of borrowing and equity financing instruments, alongside internal funding.

The possibilities and the scope of equity financing depend on the valuation of 3U HOLDING AG's equity, and especially that of weclapp SE as well. 3U HOLDING AG's value as a listed company is measured by its share price performance on the stock exchange. Growth of more than 70 % in the share price over the course of the financial year 2021 evidences the ongoing interest of investors in the development of the 3U Group's business. The prospect of winning further financial resources by way of cash capital increases continues to be viewed favourably despite the partly drastic decline in the share price since the start of 2022. How the share price performs nevertheless depends on numerous factors of influence, ultimately including on how the general stock exchange environment develops.

Although the DAX reached a new record high at 16,251 in November 2021, institutional investors have adopted more of sceptical stance at the start of the year. TecDAX as Germany's technology shares index shed more than 10 % over the course of January. Investors worldwide were beset by concerns again. The pressure to sell was fanned by fears about tensions between Russia and Ukraine, China and Taiwan, the resurgence of the coronavirus pandemic with new mutations, the strong price uptrend, and uncertainty about the interest rate response of central banks.

In terms of its share, 3U HOLDING AG strives to achieve a fair market valuation at an attractive level by providing transparent and regular information for market participants. The resolutions passed by the 3U HOLDING AG's Annual General Meeting authorise the Management Board to place shares from "Authorised Capital", to the exclusion of shareholders' subscription rights, against cash contribution if the issue price is not significantly lower than the stock market price.

The conditions for borrowed capital are heavily dependent on national and international interest rate levels. On several occasions, and most recently in its meeting on 10 March 2022, the Governing Council of the European Central Bank (ECB) decided to leave the interest rate for main refinancing operations, as well as the rates for the marginal lending facility and the deposit facility unchanged at 0.00 %, 0.25 % and -0.50 % respectively. According to a communication from 10 March 2022, and in the context of Russia's invasion of Ukraine, the ECB Governing Council assumes that, following the end of the program to buy back assets (in all probability, in the third quarter of 2022), adjusting the ECB key rates may be put on the agenda.

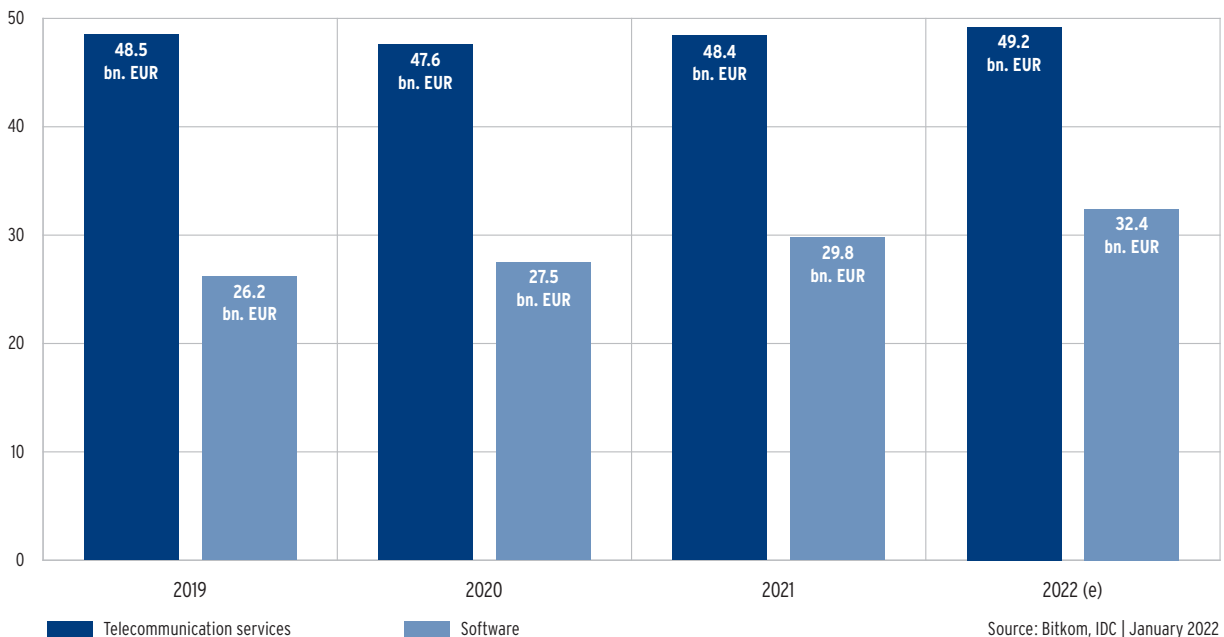
The current interest rate level ensures low financing costs within the 3U Group, for instance when borrowing for the purpose of procuring assets or for construction projects, and generally has positive impact on net interest income. Given that the ECB's negative rates are increasingly causing commercial banks to levy negative interest on customer deposits, however, the inflow of funds, such proceeds from 3U HOLDING AG's disposal of assets, place more of a burden on net interest income.

Development of conditions in the segments

ITC segment

The market for information and telecommunications technology (ITC) in Germany grew by 3.9 % in 2021 against the backdrop of a general rebound in the economic environment. The Bitkom ifo business climate index, regularly calculated and published by the industry association Bitkom e. V. (Bitkom), currently rates the level higher than that of the overall economy, as it has done for years. At the turn of the year, it was considerably higher at 24.0 points than the figure twelve months ago (Bitkom ifo business climate index December 2020: 19.4 points). Germany's IT sector raised its revenues by 3.9 % to EUR 178.4 billion over the course of 2021, and the number of those employed stood at 1.25 million (previous year: 1.22 million). The market forecast issued in the previous year (industry sales expectations in 2021: EUR 174.4 billion).

ITC markets, the data (in EUR bn)



The industry association Bitkom anticipates that revenues in the information technology submarket (hardware and software services) will rise by 5.9 % to EUR 108.6 billion in 2022 (2020: EUR 96.4 billion, 2021: EUR 102.5 billion). According to this forecast, the software segment will see above-average growth of 9.0 % and its sales volume rise to EUR 32.4 billion (2021: EUR 29.8 billion). By contrast, growth in the telecommunications submarket is somewhat weaker, with an increase of 0.9 % to EUR 67.3 billion (2021: EUR 66.7 billion). The demand for telecommunications services appears to be in a slight uptrend. Bitkom is expecting an increase to EUR 49.2 billion in this segment (2021: EUR 48.4 billion).

Cloud computing

Cloud computing is a technology that underpins digital transformation. The technology confers huge efficiency gains on companies, and is very often adopted as the basis for new business models in the digital economy. From a user standpoint, is defined as the needs-driven use of IT services, such as software, storage or processing power, via platforms and third-party networks.

The cloud computing business in the 3U Group is operated by weclapp SE and, since the fourth quarter of 2021, also by its newly acquired subsidiaries ITscope GmbH and FinanzGeek GmbH. In the financial year 2021, weclapp offered mainly SMBs in Germany access against a usage fee to its cloud-based corporate software (Enterprise Resource Planning, ERP) which goes by the same name. This platform enables customers to map key processes in their operations in a consistent and uniform way with the aid of a single application.

The strong demand from SMBs, and thus weclapp's growth as well, was also supported by trends in 2021 which are currently undergoing profound change and driving the way the target group uses software: accelerating digitalisation, supported by regulatory initiatives, the growing use of multi-functional corporate software (ERP) and of cloud computing.

Along with the general development of the market for ERP systems, the competitiveness and performance capability of the weclapp solution, success depends on the willingness of customers and interested parties to process and to store their business processes and data on an external platform (cloud).

ERP systems are used to streamline the value-added processes of a company and make them more efficient, while enabling the ongoing optimisation of entrepreneurial and operational workflows. As opposed to the past when the ERP market was dominated by on-premise solutions installed on servers belonging to a company with systems maintained on site, cloud-based solutions are gaining traction in terms of their market share. From a user standpoint, these solutions excel as there is significantly less effort involved in implementation and access is simpler using popular, Internet-enabled devices, which includes mobile devices. Moreover, the use of cloud applications does not generally require trained internal IT personnel, and dispenses with maintenance such as installing updates and patches.

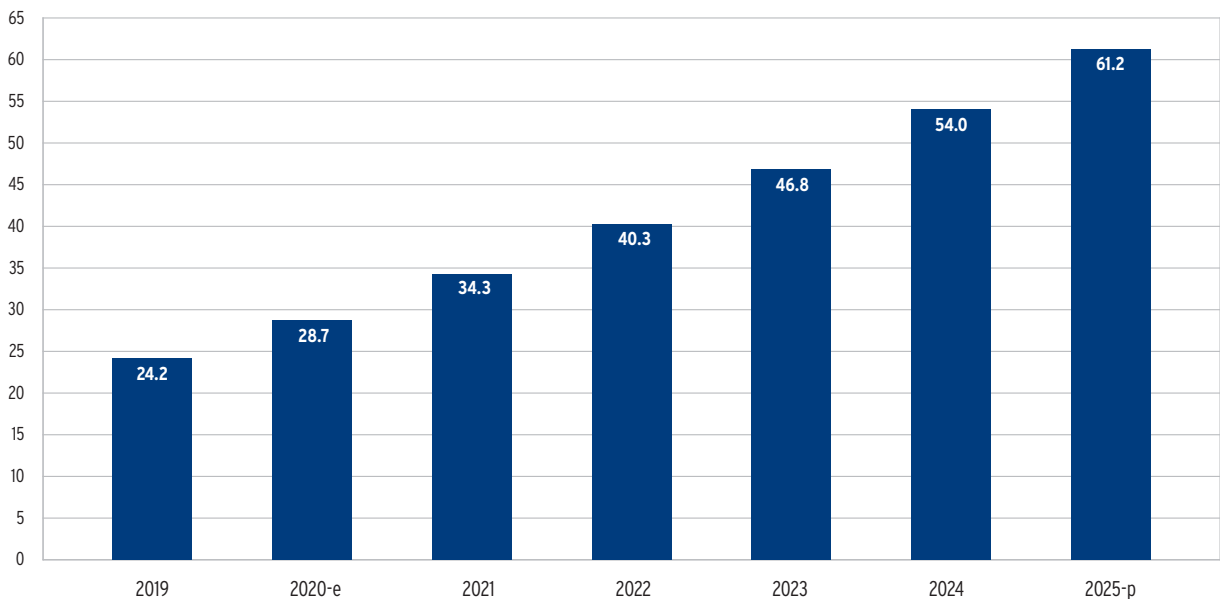
In addition, central data storage on a cloud-based platform facilitates cooperation between companies on the platform, as well as, in particular, the development and the use of self-learning algorithms (machine learning, artificial intelligence).

The advantages of cloud computing at a technical, financial and structural level make the use of holistic ERP systems attractive to small and mid-sized companies as well. The growing acceptance of cloud applications in general by senior executives is also a contributing factor.

According to the most recent representative survey of Bitkom Research GmbH conducted on behalf of KPMG AG, a good four fifths (82 %) of all companies were using computing capacity from the cloud in 2021 (previous year: 76 %). Of the respondents, 88 % confirmed that cloud- is making a great or even very great contribution to digitalising their business (2019: 77 %). SMBs still have a great deal of ground to make up, however: While companies with more than 2,000 employees are expecting to operate around 74 % of their productive applications from the cloud by 2025, smaller companies anticipate that they will be operating only 52 % of their applications using the cloud.

The trend towards using cloud-based ERP solutions is generating steady market growth on a global scale. MarketsandMarkets analysts predict a compound average growth rate (CAGR) of 17.4 % through to 2025 and anticipate global sales of USD 101.1 billion.

Cloud ERP sales (worldwide in USD bn)



Source: MarketsandMarkets Analysis 2020

The analysts therefore affirm weclapp management's opinion that the deployment of cloud computing will be a key driver of corporate digitalisation. Conversely, the following can be assumed: Medium-sized companies in particular as the main target group of weclapp need digitalisation for preserving and sharpening their competitive edge and will increasingly promote the use of enterprise software.

System vendors which, in their role as IT providers, advise and support SMBs in planning and sourcing their IT environments are reaping huge benefit from the trend towards digitalisation. Bitkom predicts revenue growth of 5.9 % for the IT market overall and of 3.9 % for the submarket of IT services in the current year 2022. The underlying demand insofar as it stems from SMBs continues to be mainly covered by a large number of local providers, specifically system houses, which is the market segment addressed by ITscope GmbH. In the opinion of management, the consolidation pressure observed in the systems vendor sector will not diminish this sub-segment's market potential. Customers and interested parties from the group of small and medium-sized system vendors themselves continue to be interested in efficiency enhancements offered by the ITscope platforms.

Greater efficiency and more successful handling of business are key success factors for the self-employed and micro-enterprises (1-4 employees). This largest group in terms of its numbers among SMBs is currently not reached by the weclapp platform with its requirement of a minimum reservation of two licenses of the same package. The FinanzGeek solution of the subsidiary acquired

in 2021 of the same name has been specifically developed for this large market. Upon the market launch in the first half of 2022, activities will commence to win customers in this segment.

This mega trend is boosting the prospects of the market and the sector, harmonises with weclapp SE's strategy, and can be instrumental in promoting the achieving of the ambitious corporate goals. weclapp's expansion strategy provides for organic growth as well as growth through acquisitions of customer bases or entire companies.

Telecommunications

3U's telecommunications services are subject to regulatory and general economic conditions. Moreover, their success depends on the competitive ability and efficiency of the Group's own technical infrastructure.

3U offers end customers call-by-call and preselection numbers for inexpensive telephony in the Voice Retail business line as part of the ITC segment. This market is secured through a private business agreement between VATM (Association of Telecommunications and Value-Added Service Providers), of which 3U TELECOM GmbH is a member, and Telekom Deutschland GmbH. Under this agreement, Telekom Deutschland GmbH voluntarily commits to allowing its end customers unhindered access to the offerings of contractual partners over a period up until 31 December 2022. Whether this agreement will be extended beyond the current term or replaced by a similar agreement is currently unclear. If this is not the case, the Voice Retail business model would have to be discontinued if necessary.

As part of the measures to combat the COVID-19 pandemic, in particular restrictions on contact, the demand for telecommunications services, also from private individuals, increased significantly in the financial year 2020. People used the telephone more in all sub-segments of the market in the financial year 2021 as well, albeit with growth slowing compared with 2020.

According a study on the German telecommunications market by VATM and Dialog Consult published in fourth quarter of 2021, the revenues generated through telecommunications services in 2021 increased by approximately EUR 0.6 billion in total compared with 2020, to EUR 59.1 billion up from EUR 58.5 billion. This growth benefited both mobile and fixed-line operators whose revenues rose from EUR 32.6 billion to EUR 33.0 billion. Two developments are contributing to this uptrend.

The prices of telecommunication services for fixed line, Internet and mobile for private households in Germany had increased slightly again for the first time in 2021 compared with the previous year. According to the survey of the German Statistical Federal Office (Destatis), the consumer price index for telecommunications services in December 2021 settled 1.5 % above the level posted in December 2020.

In addition, the increase in call connection minutes observed back in 2020 also continued in 2021. People were using the telephone more. The number of daily telephone minutes rose from 926 million to 963 million, with growth distributed evenly across the three segments offered. In the case of the OTT providers (over-the-top services such as Zoom, Skype, WhatsApp and others), usage rose to 234 million call connection minutes per day in 2021 (previous year: 222 million), while calls from mobiles amounted to 433 million minutes per day (previous year: 420 million minutes per day). Fixed line telephone activity increased to 296 million minutes per day (previous year: 284 million minutes per day).

According to the same study, revenues generated through service call numbers (including call-by-call and preselection numbers) also continued their uptrend to EUR 460 million in 2021 (previous year: EUR 427 million). These full-year estimates were published in October 2020. In accordance with these estimates, 3U's telephony business line also recorded rising demand and revenue in the financial year 2021.

Renewable Energies segment

Political conditions

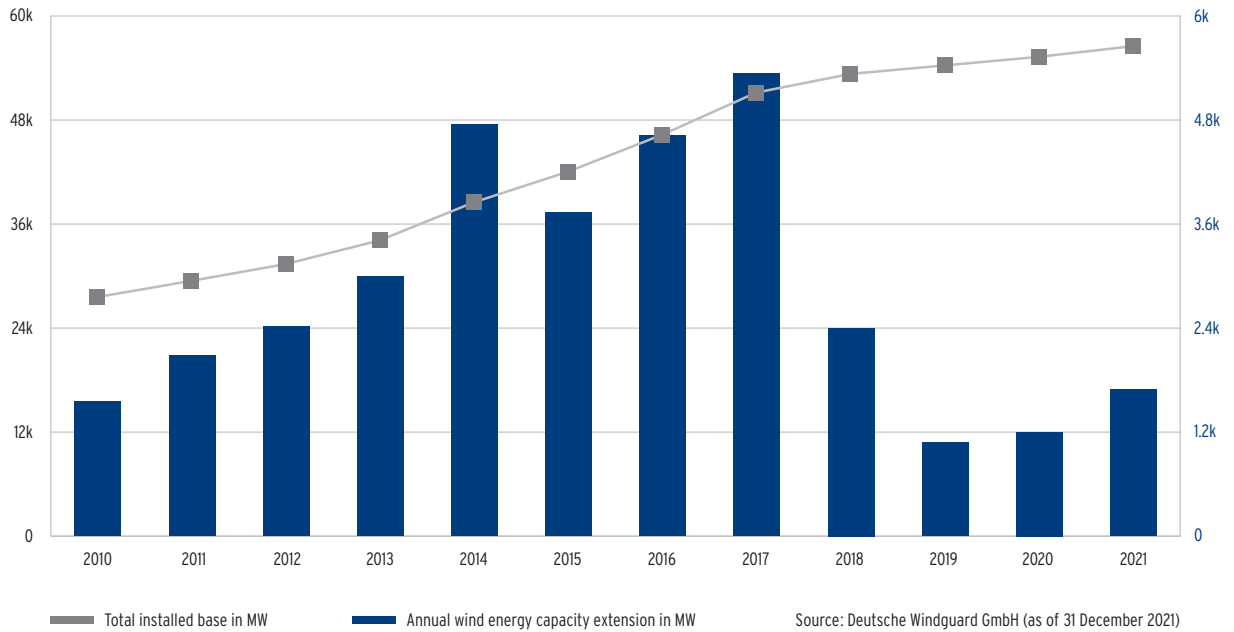
One of the greatest challenges of the 21st century is securing a reliable, economical and environmentally compatible supply of energy. Despite further endeavours to cover power generation increasingly through renewable energies, the renewable energy sources of solar, wind, water and biomass produced 6 % less electricity in 2021 compared with 2020. At 225 TWh, the proportion of renewable energies in public net power production amounted to only 45.7 % compared with the 50 % in 2020 when 240 TWh was generated. Wind energy produced 113.5 TWh in 2021, approximately 12 % below the volume generated in 2020. The reason lies with low wind speeds. Wind energy was nevertheless the most powerful source of energy, followed by lignite (also known as brown coal), nuclear energy, gas, solar, hard coal, biomass and hydropower. Photovoltaic plants generated around 48.4 TWh of electricity in 2021. Of this volume, around 44.6 TWh was fed into the public grid, with 3.8 TWh being used by the plants themselves. Production has risen by 1.5 % year on year.

The new German government unambiguously declared in its annual economic report: The share of renewable energies will need to grow significantly and at a much faster pace than before. Particularly in view of the planned exit from nuclear power and coal-fired power generation, accelerating the growth of renewable energies is indispensable. In 2030, the German government anticipates gross demand for electricity of 680-750 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. All barriers and hurdles are to be eliminated, planning and approval procedures vastly accelerated, and the necessary land made available. Among other measures, 2 % of the land is to be earmarked for expanding wind energy.

In 2021, net onshore installation of 1.7 GW was initially higher than expected and also exceeded the previous year (previous year: 1.4 GW). Nevertheless, installations need to be rapidly stepped up to achieve the German government's climate targets: Calculations show that, to meet this goal, 7.2 GW of additional onshore wind capacity will need to be installed per year over the next nine years.

The situation of the low level of onshore wind energy installation was ultimately further exacerbated by the local government of Brandenburg. Brandenburg ranks among Germany's three strongest federal states in terms of wind energy. It nevertheless imposed a moratorium on building new wind turbines which was renewed for another two years in June 2021 and is applicable to various planning regions in Brandenburg. Almost all projects currently under way at 3U are affected. This moratorium prompted 3U to temporarily scale back the development of the aforementioned projects and of new ones. During this time, the existing project developments will be conserved in a suitable manner and adjusted to the current circumstances so that, once the moratorium has ended, they can be quickly brought to completion.

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

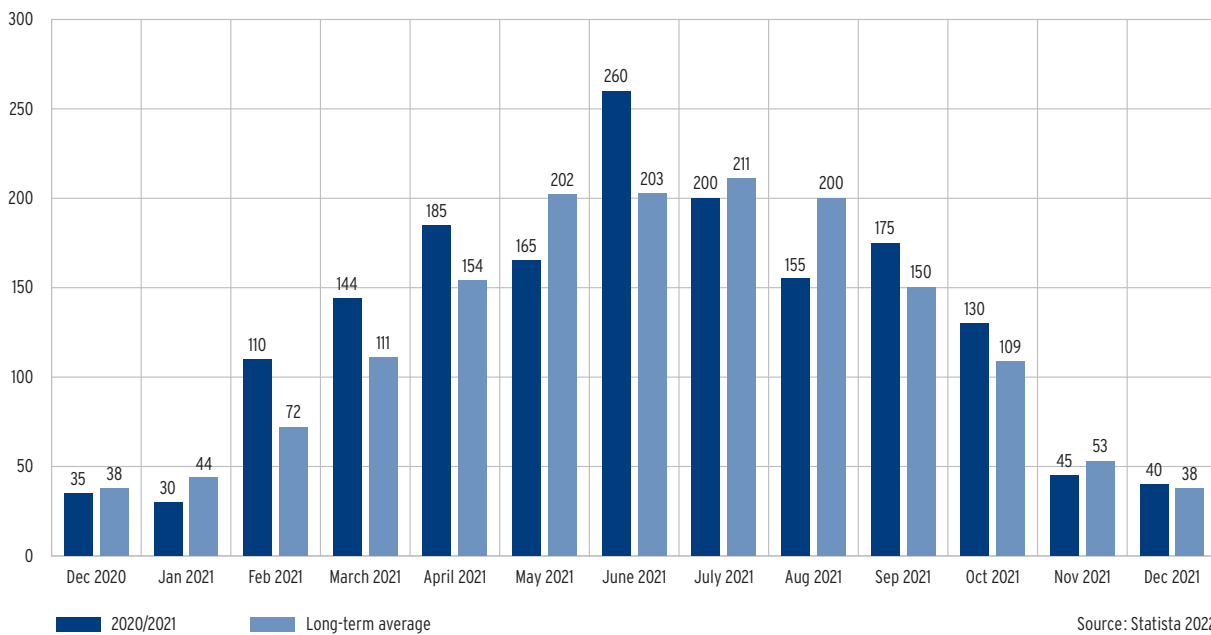


Weather conditions

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. In the financial year 2021, they contributed to a generally weaker result in 3U's Renewable Energies segment.

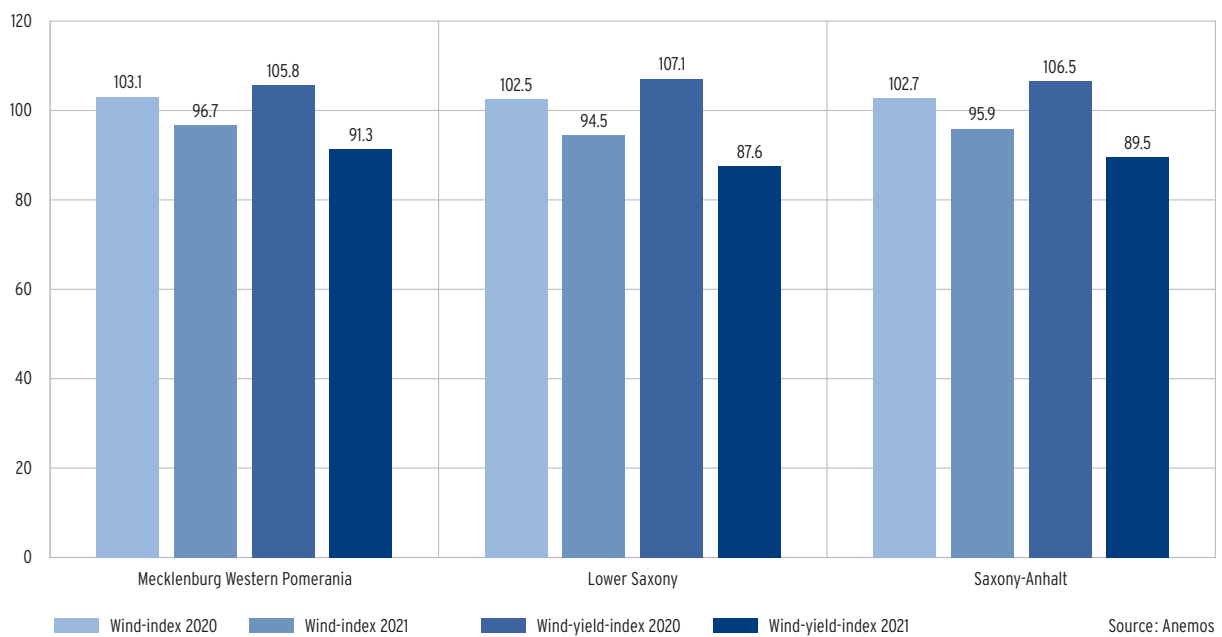
Annual sunshine in Germany stood at 1,639 hours in the financial year 2021 (previous year: 1,885 hours), and thus 5.9 % above the multi-year average of 1,547 sunshine hours but nevertheless 15.0 % below the year-earlier figure.

Average monthly sunshine in Germany from December 2020 to December 2021 (in hours)



The levels of wind in 2021 were much lower compared with the strong winds in 2020. Only the months of May and October significantly exceeded the year-earlier figures. The wind index declined to 95.2 % (previous year: 101.9 %). The wind yield index dropped to 88.7 % (previous year: 106.3 %).

Wind/energy yield index (in %)

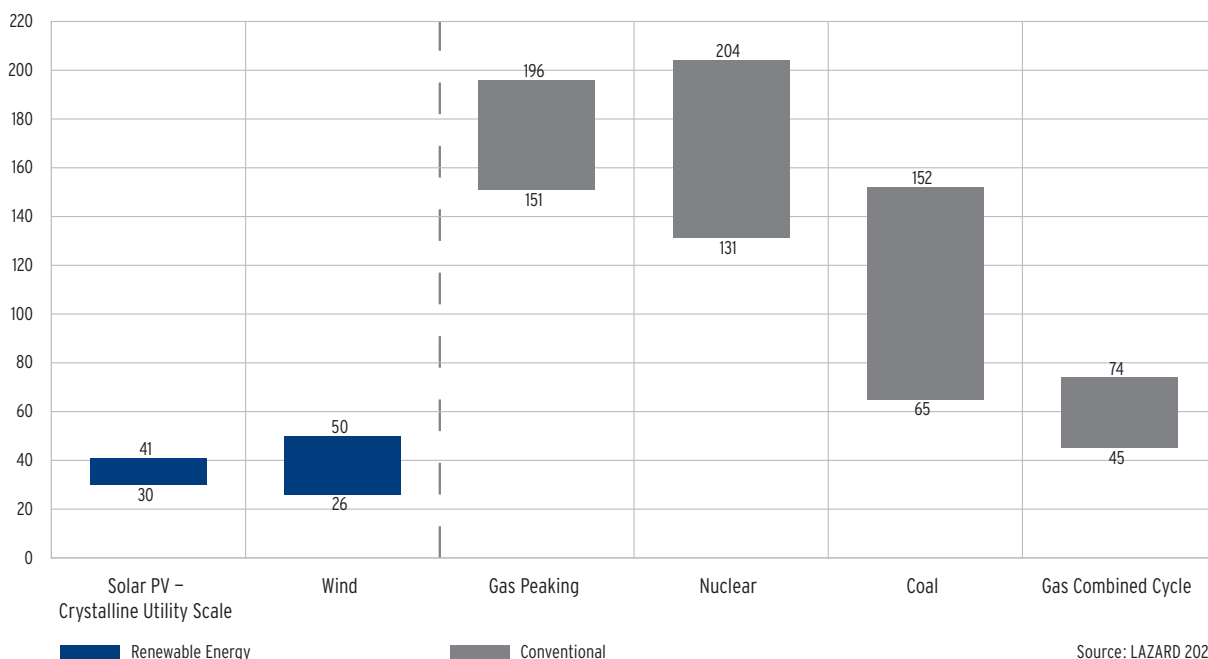


General business conditions

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

In principle, the falling costs of producing electricity from renewable energies are reinforcing the competitive advantage of renewable energies compared with fossil fuels and nuclear power. The Levelised Cost of Energy analysis prepared by Bank Lazard excluding any potential subsidisation (LCOE) shows: Producing energy by conventional means is meanwhile much more expensive than by wind and solar power.

Comparison of electricity generation costs – without subsidisation (in USD/MWh)



Driven by the high procurement costs of fossil power plants for gas, coal and CO₂ allowances, the electricity price level surged in 2021. According to the German government's quarterly report, the market values of the technologies of solar, as well as onshore and offshore wind, increased sharply in the third quarter of 2021, almost trebling compared with the year-earlier figure. Whereas the market values still stood at 29 to 32 EUR/MWh in the third quarter of 2020, these figures reached 84 to 89 EUR/MWh in the third quarter of 2021.

Higher electricity prices benefited 3U when concluding new power purchase agreements under which a level was achieved which was higher than the remuneration to date under the German Renewable Energies Act (EEG). This has applied to all wind power plants since 1 January 2022; electricity feed-in from the Adelebsen solar park continues to be remunerated under the EEG until the end of the term in January 2032.

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, but also affordable equipment with components and systems, in particular heating and air conditioning technology, not forgetting sanitary equipment. This applies to owner-builders, renovators and DIYers, as well as to property developers of large-scale residential and commercial real estate who order Selfio GmbH online products and seek advice and support.

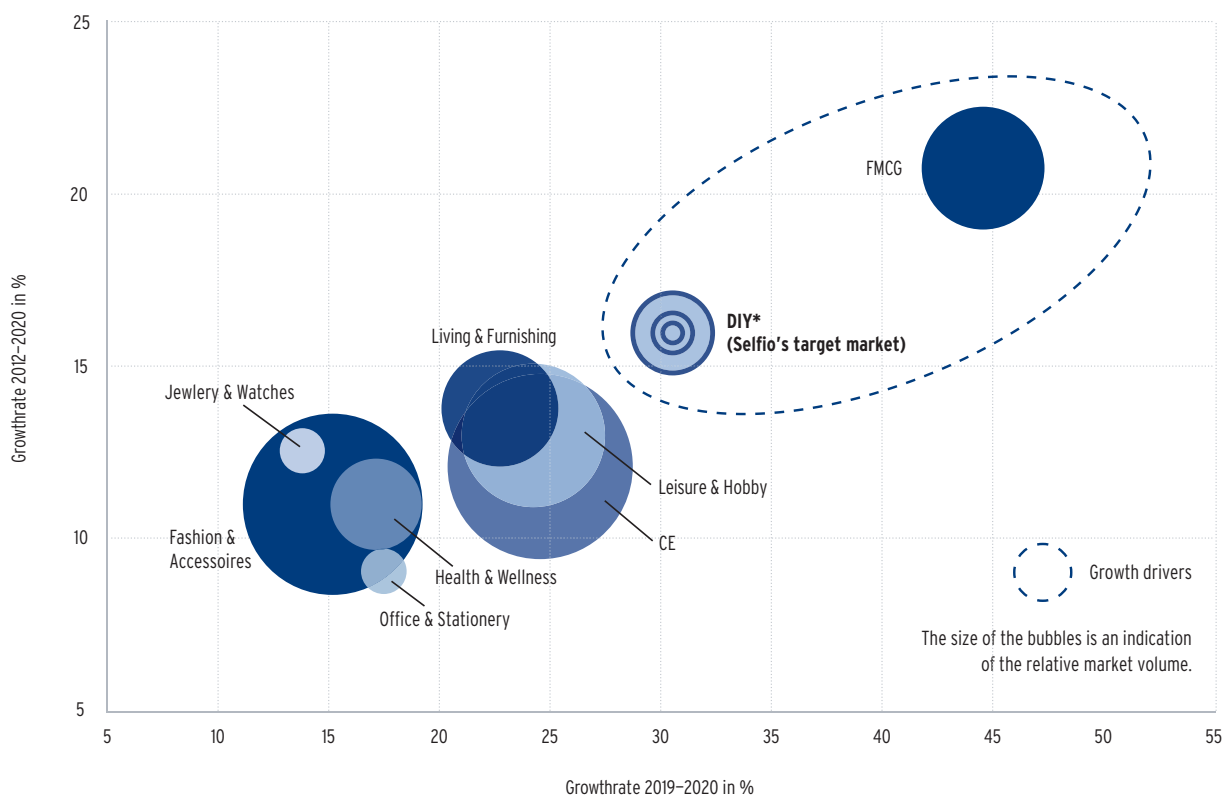
General business conditions

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. In the wake of the COVID-19 pandemic, various developments, in particular strong fluctuations in production (lockdowns) as well as in transport capacities by land and sea in the financial year 2021 disrupted supply chains, which caused the development of Germany's economy and that of many other nations to slow over the course of 2021. Material shortages in combination with an upturn in demand resulted in producer and import prices rising sharply.

The construction industry is subject to these all-encompassing factors. In the first eleven months of 2021, the construction industry's real order intake rose by 1.3 % compared with the year-earlier period. In November 2021, it settled around EUR 7.2 billion, 4.7 % (nominal) higher year on year. In price-adjusted terms, however, this marked a decline of 7.1 %.

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. e-commerce in Germany was still posting significant growth in 2020 compared with the previous year, increasing by EUR 14 billion (23 %) to EUR 73 billion. The DIY segment of "Home and Garden" expanded in particular by around 30 %, delivering a sales volume of EUR 3.3 billion. This segment lifted its share in online sales to 4.5 % (2019: 4.2 %), making it once more one of the main growth drivers of e-commerce.

E-commerce growth rates by sector



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

Source: HDE Online-Monitor 2021

While, at mid-year, the Central Association of the German Retail Trade (HDE) assumed growth in e-commerce for 2021, albeit with a slower rate, stationary retail was less optimistic. This was particularly the case for segments which depend on industrial primary products. After the temporary boom in 2020, the German DIY sector sustained a significant drop in sales revenues. BHB, Germany's DIY retail association, reported a decline in sales of 11.1% in the first nine months of the financial year 2021 compared with the year-earlier period.

Aside from this current market development, BHB's optimism for the medium and long term future of the sector remained unchanged: According to the BHB, the high level of customer satisfaction, combined with the strong affinity of people for improving their homes, creates a favourable environment for the home and garden market segment.

Political conditions

The demand for components and systems, heating and air conditioning technology in particular is ultimately promoted by a range of different 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 far removed from achieving the German government's climate targets. For this reason, the German government is under obligation to launch further immediate programs for building refurbishment.

The accelerated implementation of measures already agreed can also make a contribution, however. As part of the German Energy Saving Ordinance, replacing heating systems which are over 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 2030 energy efficiency target, among others – by 2050, 50 % less primary energy is to be consumed in Germany compared with 2008 (previously 30 %).

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) as of 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.

Further concrete steps by the government are on the agenda. Selfio GmbH makes its customers and prospective buyers aware of new incentives and rules and regulations on a running basis.

Business development

Overview of most important events of the 2021 financial year.

ITC

Over the course of the financial year 2021 further measures were taken in the cloud computing business to achieve the key strategic goals. Special emphasis was placed on developing the weclapp platform further, the acquisition and integration of two companies, the ongoing internationalisation of business and promoting strong organic growth.

At the same time, weclapp is attributing special importance to consistently developing the platforms. Consequently, on the basis of lively exchange with the customers, 26 extensive product updates were made available over the course of the financial year for weclapp SE's ERP platform. Since its founding, weclapp as a cloud-based ERP software provider has operated in the role of an innovation pioneer in the area of data processing, usage and storage. It is committed to providing extremely powerful, but cost-effective and easy-to-use enterprise resource planning for SMBs ("ERP democratisation").

At the same time, it is also active in the field of future research for the deployment of artificial intelligence and new work (agility). The research team with four members formed in the financial year 2021 is working on developing algorithms of machine learning that will confer efficiency and competitive advantages on weclapp customers.

The completion of two company acquisitions, namely of ITscope GmbH and FinanzGeek GmbH, and intensive groundwork for a possible initial public offering (IPO) over the course of the first half of 2022 exerted a considerable influence on the net assets, financial position and results of operations of the company and of the newly formed Group. With the new companies joining, the number of customers in the subgroup rose to more than 7,000. All companies of the subgroup operate by offering Software-as-a-Service (SaaS) as their most important business model.

The process of internationalisation is also being promoted, with preference given to gradually adapting the successful online marketing concept (search machine optimisation (SEO)) in Germany to selected European markets. Content was adapted to the target markets of Italy, Spain and France in terms of language and culture, and made available on the Internet over the 2020 and 2021 period. Extending the range of information on offer and ongoing search engine optimisation will promote steady growth in the group of prospective customers (leads) who can and are to be won as customers. Support from sales partners, such as currently in Italy, may contribute to accelerating market entry, along with the temporary running of fee-based, targeted advertising measures on the Internet ("SEA").

weclapp considers online marketing, successfully deployed to date, as an important instrument for promoting organic growth in Germany, and on an international scale. The high visibility of the platforms in the search engines enables new business to be generated with a low level of outlay. With a view to winning additional prospective buyers, targeted search engine advertising (SEA) has been deployed in Germany as well since the end of 2021.

Client satisfaction plays a critical role in the ERP environment as a whole. As shown by a study of Deutsche Gesellschaft für Verbraucherstudien mbH (company specialised in consumer surveys), published in the early months of 2022 as part of German B2B

awards, weclapp SE once again ranked among the top three providers of ERP systems in an annual survey of more than 100,000 managers across sectors in all three categories of “Customer Satisfaction”, “Customer Service” and “Price-Performance Ratio”. weclapp was awarded the best score of “Outstanding” on a scale of one to ten.

The Telecommunications business was able to stabilise its revenue. Following the increase in consumer demand for telephony in the financial year 2020 due to the coronavirus pandemic, the use of voice retail offerings (call-by-call and preselection numbers) returned to normal levels in the financial year 2021. Demand for other offerings in the telecommunications business, such as telephony for business customers, continued to run at a high level. 3U TELECOM's next generation network ranks among Germany's technological leaders in telephony networks. The ISO 27001 certification, confirmed in June 2021, is proving to be a further key competitive advantage. In the financial year 2021, new contracts were signed with a total of 14 network operators and service providers. The capacity utilisation of data centres in Hanover and Berlin was also stepped up by winning new customers. Revenue in the Data Center Services business climbed by around 25 %. These developments were able to compensate for the decline in the Voice Retail business. There are still plans to compensate as best possible for the end anticipated to the Voice Retail business model upon expiry on 31 December 2022 of Telekom Deutschland GmbH's voluntary commitment to provide the requisite services.

Renewable Energies

The end of the financial year 2021 marked the end of receiving feed-in remuneration under the German Renewable Energies Act, also for the wind farms still eligible for subsidies up until that point. Advantageous power supply contracts were concluded with utility companies for the financial year 2022, and partly also already for the financial year 2023.

SHAC

The framework conditions for the SHAC segment were increasingly hampered over the course of the financial year 2021 by global supply bottlenecks and rising prices, which also had an impact on the segment's earnings performance.

Two significant events can be considered as the basis for improved earnings in the future. Firstly, in May 2021, following the scheduled completion, the move was made to the new distribution centre in Koblenz and the old locations were relinquished. Thanks to considerably more storage space, the distribution centre has room to allow business to expand.

Secondly, with a view to further optimising and expanding the SHAC segment's supply chain, the warehouse and inventory management systems were completely renewed. The associated efficiency potential should be realised over the course of the current financial year.

The e-tailer operations of Group company Selfio GmbH was admitted to the league of Germany's best online stores by the magazine COMPUTER BILD and the market research portal Statista. selfio.de again ranked among the Top 25 Shops 2021 in the “Home Technology” segment.

Other Activities

InnoHubs GmbH, in which 3U HOLDING AG holds 75 % of the shares, is in charge of the construction and sale of an innovation and office property in Würzburg. Construction work on the building complex commenced in the financial year 2021, and great progress was made in marketing the space to buyers and tenants. The resulting contracts concluded were already generating significant income in the financial year 2021.

3U HOLDING AG

In the financial year 2021, 3U HOLDING AG promoted the growth strategy of subsidiary weclapp SE by furnishing the latter with a loan for the purpose of acquiring ITscope GmbH.

At the end of October 2021, Christoph Hellrung laid down his office as Chief Financial Officer of 3U HOLDING AG and switched to subsidiary weclapp SE where he assumed the role of Chief Financial Officer. At the same time, the Supervisory Board appointed Uwe Knoke, formerly long-standing CEO and CFO of 3U TELECOM GmbH and other telephony companies of the 3U Group, to the position of 3U HOLDING AG's new Chief Financial Officer.

In the second quarter of 2021, 3U HOLDING AG equipped its Koblenz location with a photovoltaic rooftop system which generates a nominal output of around 300 kWp. Up to 60 % of the annual power consumption at the location is covered by this PV plant.

Comparison between forecasted and actual performance in the financial year 2021

In March 2021, the Management Board issued the following forecast for the financial year 2021: The Management Board expects consolidated revenue in the financial year 2021 at the level of the previous year. Strong organic growth in the other parts of the company is unlikely to fully compensate for the absence of proceeds from the sale of the shares in ClimaLevel Energiesysteme GmbH and the Lüdersdorf wind farm. Sales revenue in 2021 is expected to settle within a range of between EUR 58 million and EUR 63 million. Moreover, earnings in the single-digit million range from the disposal of assets have been incorporated into planning. In view of the measures introduced to strengthen profitability and the rising proportion of higher margin business, the Management Board anticipates a slightly higher EBITDA of EUR 11 million to EUR 13 million. Profit of the 3U Group is therefore expected in a range of between EUR 2 million and EUR 4 million.

This guidance was reviewed on a number of occasions over the course of the financial year and specified in a quarterly announcement for the first nine months of the financial year 2021 as follows:

The Management Board further specified guidance issued in March for the financial year 2021. Given the global supply problems that are impeding the procurement of goods in the SHAC segment, and weak revenue in the Renewable Energies segments due to the weather conditions, the 3U Group anticipates consolidated revenue at the lower end of guidance. Sales revenue is therefore likely in a range of between EUR 58 million and EUR 63 million. The Management Board also expects EBITDA to settle at lower

end of guidance, namely between EUR 11 million and EUR 13 million, especially in view of factoring in extraordinary expenses incurred by M&A activities and by preparations for a possible IPO of weclapp SE ("adjusted EBITDA"). Furthermore, as is already known, earnings in the single-digit million range from the disposal of assets have been incorporated into planning. Profit of the 3U Group is therefore expected in a range of between EUR 2 million and EUR 4 million.

The performance as it stands is essentially in line with the forecast. Revenues came in around 4 % lower than target, which was therefore not significantly underperformed. In accordance with expectations, EBITDA was achieved in the lower range of guidance; EBITDA adjusted for expenses incurred by preparing company acquisitions and a possible IPO of weclapp SE achieved the forecast in full. The consolidated result also settled within the forecast corridor – adjusted for expenses incurred by preparing for company acquisitions and a possible IPO of weclapp SE, a consolidated result would have been achieved in the upper end of the forecast.

The development of business and the result of the financial year 2021 were influenced by unforeseeable external factors, in particular – as described above – by unfavourable weather conditions and global developments in procurement and prices. Given this scenario, the Management Board is satisfied with the development of business

General statement on the situation of the Group and the company

The net assets and financial position within the Group of 3U HOLDING AG remained satisfactory as of 31 December 2021, especially with regard to the still very good equity ratio. The net assets and financial position are impacted by granting a loan to finance the growth of a subsidiary, by bringing an investment undertaking in Koblenz to completion, and by the increase in receivables and liabilities from affiliated companies.

3U HOLDING AG's result of the financial year 2021 nevertheless fell short of the previous year's figure: Other higher operating income was unable to compensate for the decline in revenue, along with higher personnel expenses and the increase other operating expenses, and the financial result did not meet expectations either. The Management Board is nevertheless fundamentally satisfied with the development of the company's result of operations. 3U HOLDING AG was in a position to satisfy its financial obligations at all times, which is also guaranteed in 2022.

Result of operations*

Result of the Group's operations

Consolidated revenue

As expected, consolidated revenue decreased by EUR 5.11 million (8.4 %) to EUR 55.94 million (18.7 %) in the financial year 2021, down from EUR 61.05 million in the previous year. The decline is essentially due to the disposal of parts of the company in the fourth quarter of the financial year 2020. At the time, the Lüdersdorf wind farm in the Renewable Energies segment and ClimaLevel Energiesysteme GmbH in the SHAC segment left the group of consolidated companies. Their joint contribution to revenue in the financial year 2020 amounted to EUR 8.02 million. By contrast, the initial consolidation of two companies – acquired in the second half of the year – in the fourth quarter of 2021 contributed to revenue in the ITC segment and within the Group in an amount of around EUR 0.99 million.

In the financial year 2021, the 3U Group therefore achieved organic growth of 3.6 %. In comparison with the previous financial year, the development of organic growth was hampered by a significantly lower level of wind yield from the wind farm portfolio, as well as by supply bottlenecks in the construction sector, which also affected our SHAC segment.

These circumstances are also reflected in the segments' development. Including the newly acquired companies, the ITC segment generated revenue growth of 24.1 %, as opposed to the SHAC segment and the Renewable Energies segment which recorded declines of 18.6 % and 31.1 % respectively.

Cloud computing as the most strategically important business was once again also the most important driver of growth. Telecommunications generated sales revenue at the level of the previous year. The ITC segment achieved a share of 42.9 % (previous year: 31.7 %) in consolidated revenue, the Renewable Energies segment 11.2 % (previous year: 15.0 %) and the SHAC segment 48.2 % (previous year: 54.3 %).*

The positive change in inventory amounting to EUR 1.95 million is essentially attributable to progress made in connection with the building project in Würzburg. In the previous year, a negative change in inventory of EUR 0.42 million was recorded, largely in connection with the wind farm project development. The increase in other own work capitalised resulted from proprietary software development services in the expansion of logistics activities in the SHAC segment, as well from as extending the weclapp subgroup's cloud platforms.

Other income mainly results from disposals of part of the Adelebsen property and of office space in the InnoHubs building complex, currently under construction Würzburg. At EUR 6.86 million, income is 28.5 % higher than in the previous year (EUR 5.34 million). In 2020, other income resulted from the disposal of the property in Linz, the Lüdersdorf wind farm, and the 75 % stake held in ClimaLevel Energiesysteme GmbH. In the financial year 2021, proceeds from the disposal of assets within the Group stood at EUR 4.75 million (previous year: EUR 3.64 million).

The cost of materials declined by 11.8 % compared with the year before. In relation to sales, the cost of materials has entered a slight downtrend as against the year-earlier period. The cost of materials ratio (cost of materials as a percentage of revenue) stood at 52.4 % compared with 54.4 % in the year-earlier period. This is generally due to the weaker development of business in the SHAC segment. Gross profit of EUR 36.23 million exceeded the year-earlier figure by 9.9 % (gross profit 2020: EUR 32.97 million).

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

**The difference between the sum total of segment sales revenue and 100 % of consolidated sales revenue is to be attributed to Other Activities.

Research and development

In the 3U Group, research and development are exclusively conducted in cloud computing in the companies of the weclapp SE subgroup. The personnel costs attributable to the development teams of these Group companies are recorded as research and development costs. In addition, costs of other cost centres pertaining to internally generated software were included for the first time in the financial year 2021. These costs totalled EUR 3.09 million in the reporting period (previous year: EUR 1.83 million). The increase is due to hiring more staff in product development at weclapp SE and to employees in software development of the new subsidiaries which have joined the Group, as well as to drawing on the support of external consultants/IT specialists.

EBITDA

The share of personnel expenses in revenue (personnel expenses ratio) rose significantly to 26.8 % in the financial year 2021, up from 21.5 % in 2020. The increase is essentially explained by the ongoing recruiting of personnel on the back of growth and takes account of greater staff requirements in cloud computing in all areas of tasks right up to Management Board level, as well as gaining new employees through the acquisitions.

The share of other operating expenses in revenue was also significantly higher at 17.8 % in the financial year 2021 (previous year: 13.6 %). This position comprises the majority of costs incurred by preparing company acquisitions and a possible IPO of subsidiary weclapp SE. They are allocated to the ITC segment. The revenue decline in the SHAC segment was not fully offset by lower costs.

In the financial year 2021, EBITDA stood at EUR 11.27 million, which is EUR 0.28 million (2.5 %) lower compared with the previous year's figure (EUR 11.55 million). By contrast, the EBITDA margin (EBITDA in relation to revenue) increased from 18.9 % in 2020 to 20.1 % in the financial year 2021, a development mainly due to the higher level of other operating income.

Adjusted EBITDA

Personnel expenses and, in particular, other operating expenses, include costs amounting to EUR 1.08 million (2020: no one-off expenses) for preparing for company acquisitions and a possible IPO of subsidiary weclapp SE. Adjusted for the aforementioned one-off expenses, EBITDA is calculated at EUR 12.35 million and the adjusted EBITDA margin comes in at 22.1 %.

Group results

Depreciation of property, plant and equipment largely relates to plants in the Renewable Energies segment. All in all, depreciation declined by 19.7 %, from EUR 5.61 million to EUR 4.50 million.

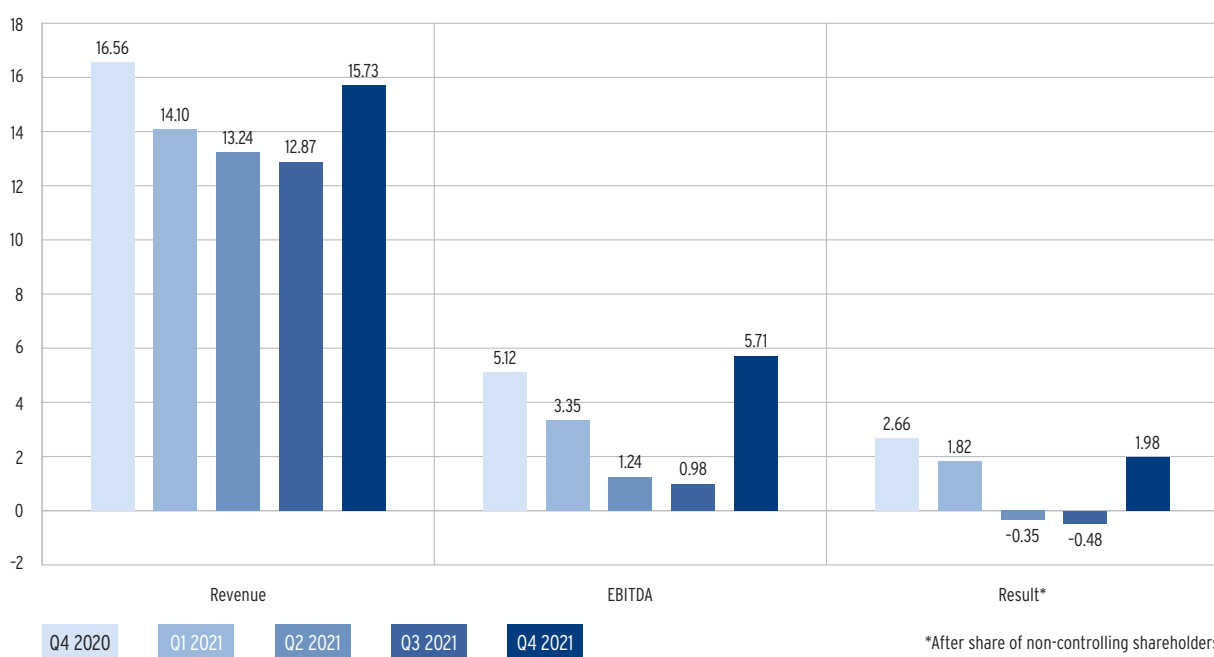
The financial result was higher at EUR -0.47 million, an improvement of EUR 0.21 million (previous year: EUR -0.68 million).

Tax expenses of EUR 2.24 million were incurred (previous year: EUR 1.30 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 2021, expenses of EUR 1.02 million resulted on balance from the forming of deferred tax assets and liabilities (previous year: EUR 0.03 million). Current tax expenses of EUR 1.22 million were incurred in 2021 (previous year: EUR 1.33 million).

The result attributable to minority interest advanced to EUR 1.13 million (previous year: EUR 0.70 million). Minority interest in the ITC segment participated in the positive development of business in an amount of EUR 0.30 million. Success in marketing the office space in the InnoHubs project benefited the local minority shareholder in an amount of EUR 0.74 million.

The consolidated result for the financial year 2021 attributable to shareholders of the parent company reflected the forecast: At EUR 2.92 million, it therefore fell EUR 0.35 million short of the previous year's figure of EUR 3.27 million. At this juncture, the fact that, without the one-off expenses incurred for the preparation of company acquisitions and a possible IPO of subsidiary weclapp SE, a higher consolidated result would have been generated, should also be taken into account.

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



Result of the segments' operations

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 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 of the tax group.

ITC (Information and Telecommunications Technology) segment

Segment revenue

In comparison with the previous year, the ITC segment increased its revenue by 24.1 %, lifting it from EUR 19.33 million to EUR 23.98 million in the financial year 2021.

The cloud computing business was given a new operational and balance sheet structure due to the acquisition of two subsidiaries. The subgroup of weclapp SE within the 3U Group's ITC segment emerged upon completion of the acquisition of ITscope GmbH and FinanzGeek GmbH at the end of the third quarter and at the beginning of the fourth quarter of 2021 respectively.

The revenues, expenses and earnings of the two companies were included in the consolidated statement of income for the months from October to December 2021 by way of initial consolidation. In the financial year 2021, the subgroup achieved consolidated revenue of EUR 11.98 million (previous year: EUR 7.33 million), reflecting growth of 63.5 %. Sales revenue for this period was as follows: FinanzGeek whose product still has to be launched on the market contributed to a very minor extent, while ITscope contributed EUR 1.17 million and weclapp SE EUR 10.99 million (previous year: EUR 7.33 million), marking revenue growth in the individual company of 49.8 %. In the process of consolidating the subgroup, sales revenue was eliminated in an amount of EUR 0.19 million.

Telecommunications generated EUR 11.13 million in sales revenue, unchanged from the 2020 level (EUR 11.20 million). Having experienced increased demand in the previous year caused by travel and contact restrictions, revenue in the Voice Retail business generated through call-by-call and preselection numbers returned to normal levels in the financial year 2021. Sales revenues in this business declined from EUR 2.23 million to EUR 1.85 million. The proportion of the retail business in external revenue generated by the Telecommunications business dropped from 21.6 % to 17.8 %.

The Voice Business Customer business area reported revenue growth from EUR 7.19 million to EUR 7.27 million. Including services provided within the group, Data Center Services & Operation (DCS&O) achieved revenue of EUR 2.03 million in the financial year 2021 (previous year: EUR 1.78 million). External revenue generated by this business grew by 21.6 %, which makes DCS&O the most successful offering in the Telecommunications business.

EBITDA

The Telecommunications business made a positive contribution to the ITC segment's earnings in an amount similar to that of the previous year. The segment's earnings trend overall was significantly negative impacted by one-off expenses in the Cloud Computing business area of EUR 1.08 million in connection with preparations for company acquisitions and a possible IPO of sub-

sidiary weclapp SE (2020: no one-off expenses). The activities resulted in a one-off increase in other expenses, a small proportion of which is also recorded as personnel expenses.

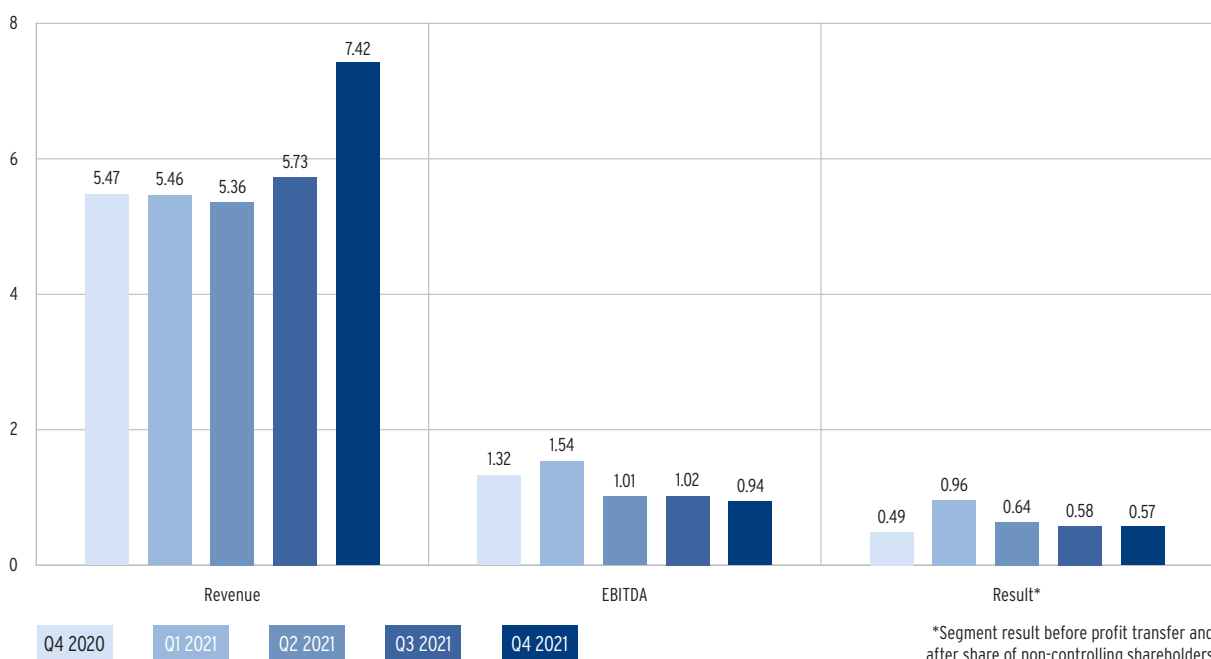
Personnel expenses in the ITC segment stood at EUR 8.69 million, reflecting a sharp increase of 50.1 % in the financial year 2021 (personnel expenses ITC 2020: EUR 5.79 million). The share of personnel expenses in revenue (personnel expenses ratio) rose significantly to 36.3 % in the financial year 2021, up from 29.97 % in 2020. The growth is essentially explained by the ongoing recruiting of personnel on the back of growth and takes account of greater staff requirements in cloud computing in all areas of tasks right up to Management Board level, as well as gaining new employees through the acquisitions.

Owing to the aforementioned one-off expenses, other expenses also rose sharply in this segment to EUR 4.81 million, up from EUR 2.49 million in the previous year. The largest cost block included legal, consultancy and audit fees of EUR 1.72 million (previous year: EUR 0.53 million). This resulted in a decline of 9.2 % in this segment's EBITDA to EUR 4.51 million, down from EUR 4.91 million. The EBITDA margin (EBITDA as a percentage of revenue) dropped from 25.7 % to 18.8 %. Adjusted for one-off expenses, EBITDA stood at EUR 5.59 million, corresponding to an EBITDA margin of 23.3 %.

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 0.03 million (previous year: EUR 0.61 million). At the same time, income tax expenses of EUR 0.36 million were incurred (previous year: EUR 0.27 million). Accordingly, the ITC segment generated a segment result of EUR 2.71 million, reflecting a marginal decline compared with the previous year (EUR 2.82 million). A share in the profit of EUR 0.30 million from this segment was attributable to minority interest (previous year: EUR 0.41 million).

Development (revenue, EBITDA, result) – ITC segment in EUR million



Renewable Energies segment

Segment revenue

Since little progress could be made with project development due to a moratorium issued by the Federal State of Brandenburg which was renewed in June 2021, sales revenue in the Renewable Energies segment depended mainly on weather conditions. The power generated by the portfolio of wind farms was negatively impacted by the fact that winds were unusually low in all of our wind farm locations in 2021. Revenue achieved from producing electricity from photovoltaic plants, especially from the Adelebsen Solar Park, came in at EUR 1.78 million, therefore falling significantly short of very sunny 2020 (EUR 2.03 million). All in all, revenues dropped from EUR 9.13 million in 2020 to EUR 6.29 million in the reporting year. The previous year still included sales revenue of EUR 1.06 million from operating the Lüdersdorf wind farm, however.

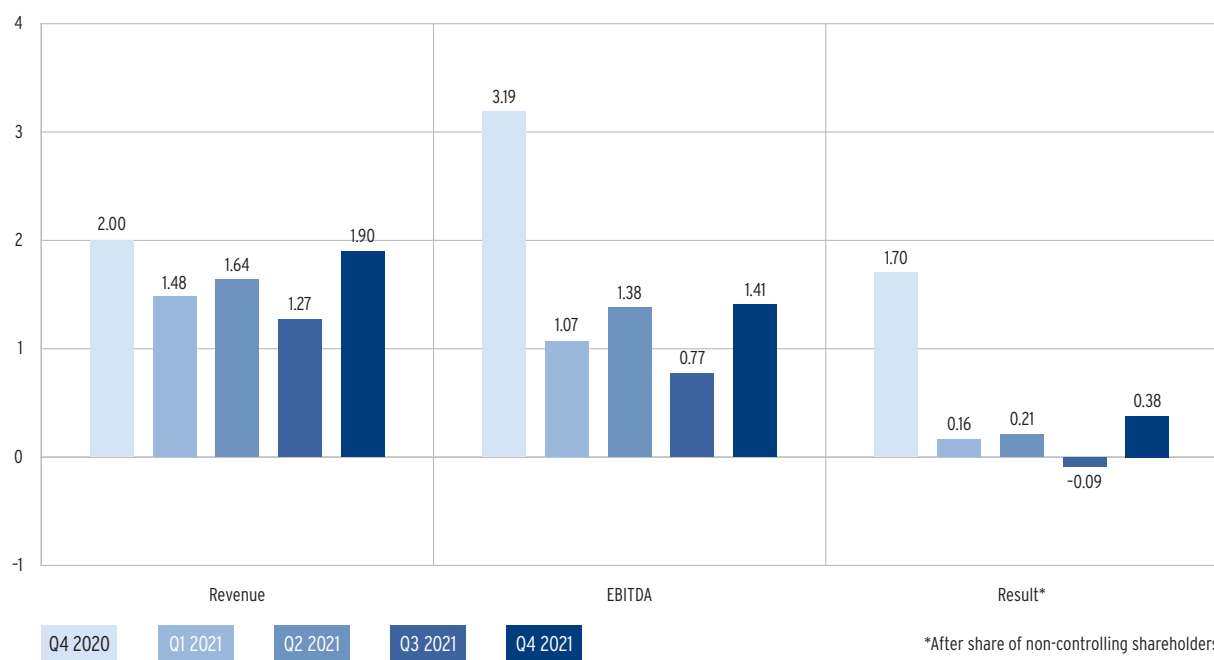
EBITDA

Personnel expenses and other operating expenses were EUR 0.11 million lower in the financial year 2021 compared with the previous year's figure. EBITDA therefore decreased from EUR 8.80 million in the previous year to EUR 4.63 million in the financial year 2021. The Lüdersdorf wind farm sold in the financial year 2020 contributed EUR 0.87 million to EBITDA in the previous year.

Segment result

Accordingly, the segment result of EUR 0.66 million substantially underperformed the previous year's figure of EUR 3.17 million. The Lüdersdorf wind farm sold in the financial year 2020 contributed EUR -0.15 million to the segment result in the previous year.

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



SHAC (Sanitary, Heating and Air Conditioning Technology) segment

Segment revenue

Revenue in the SHAC segment dropped from EUR 33.14 million to EUR 26.96 million. Along with the absence of sales revenue from ClimaLevel Energiesysteme GmbH that left the Group in 2020, the global supply chain crisis and the associated difficulties in procuring goods caused a significant decline in sales revenue by 18.6 %. This situation negatively impacted sales revenue generated from e-commerce in Group company Selfio GmbH in particular, which fell by 8.8 % to EUR 21.59 million (previous year: EUR 23.67 million). The supply bottlenecks were accompanied by notable price hikes which could not be fully passed on to the customers. In spite of stepping up the use of in-house brands and other measures to optimise procurement, the cost of materials ratio in the SHAC segment stood at 79.3 %, up 1.7 %-points compared with the level posted in the previous year (77.7 %).

EBITDA

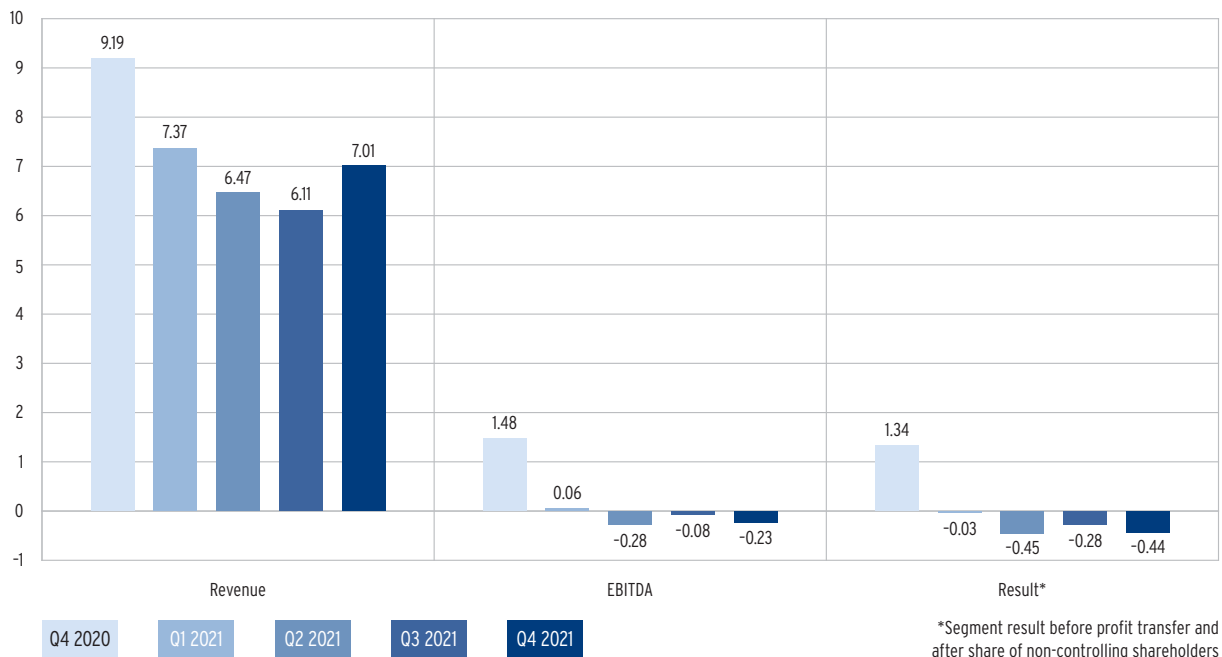
Despite internal efficiency enhancements from relocating to the new distribution centre, the lower level of revenue was also reflected in the results. The personnel expenses ratio in the SHAC segment for the full financial year 2021 came in at 11.2 %, which is therefore lower than in the previous year (12.3 %). In contrast, the proportion of other operating expenses in revenue increased from 11.3 % to 12.3 % in a year-on-year comparison. As a result, segment EBITDA stood at EUR -0.53 million in the financial year 2021, compared with the earlier positive EBITDA of EUR 1.09 million to which ClimaLevel Energiesysteme GmbH contributed EUR 0.42 million.

Tax expenses in the financial year 2021 stood at EUR 0.0 million and were therefore at the level of the previous year.

Segment result

The SHAC segment therefore recorded a negative result. Whereas, in 2020, a positive segment result of EUR 0.50 million was achieved (including a contribution of EUR 0.16 million from ClimaLevel Energiesysteme GmbH, a company which has meanwhile left the Group), the result stood at EUR -1.20 million in the reporting year.

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



Other Activities/Reconciliation

The holding activities, other property leasing activities and effects from the requisite group consolidation are combined under Other Activities/Reconciliation.

Revenue/Other operating income

Revenue of EUR -1.29 million was disclosed under Other Activities/Reconciliation in the reporting period (previous year: EUR -0.54 million). This figure comprises revenue of the holding company amounting to EUR 1.62 million (previous year: EUR 1.93 million) and from revenue consolidation of EUR -2.91 million (previous year: EUR -2.47 million). Revenue consolidation is chiefly attributable to the consolidation of intersegment revenue as well as of intra-Group services. Revenues mainly comprise management services within the group of companies. Other operating income of EUR 2.93 million (previous year: EUR 0.14 million) consists of proceeds from the sale of office space as part of the InnoHubs project in Würzburg.

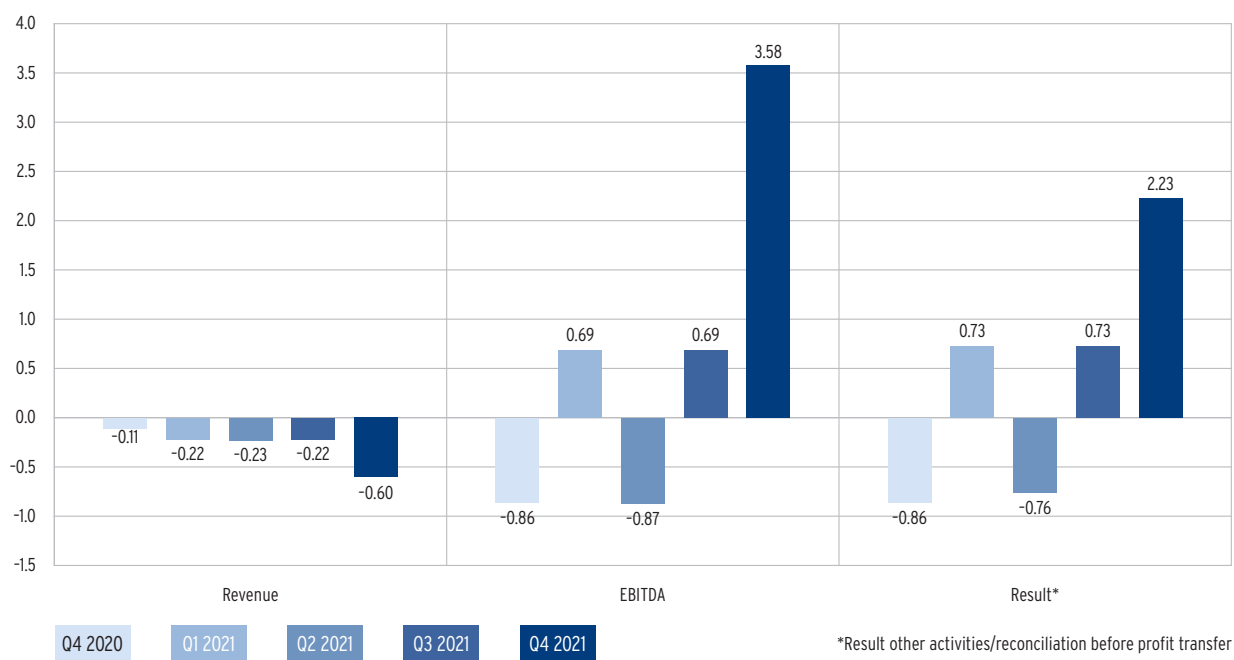
EBITDA

EBITDA therefore amounted to EUR 2.65 million (previous year: EUR -3.31 million). Along with other operating income, the main factors of influence in Other Activities on EBITDA include slightly higher personnel expenses of EUR 3.10 million in comparison with the previous year (EUR 3.01 million) and virtually unchanged other operating expenses of EUR 2.54 million (previous year: EUR 2.56 million). The employees from strategic investment management and from the Finance, HR and Law departments, as well as from centralised marketing resources, are allocated to the parent company. The holding makes a particular contribution to promoting overall strategic development of the subsidiaries with these resources.

Result

The result from this area contributed EUR 0.75 million to the consolidated result in the financial year compared with the previous year's negative result of EUR 3.22 million.

Development (revenue, EBITDA, result) – Other Activities/Reconciliation in EUR million



64 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 shown in the consolidated financial statements (without correction of cash and cash equivalents).

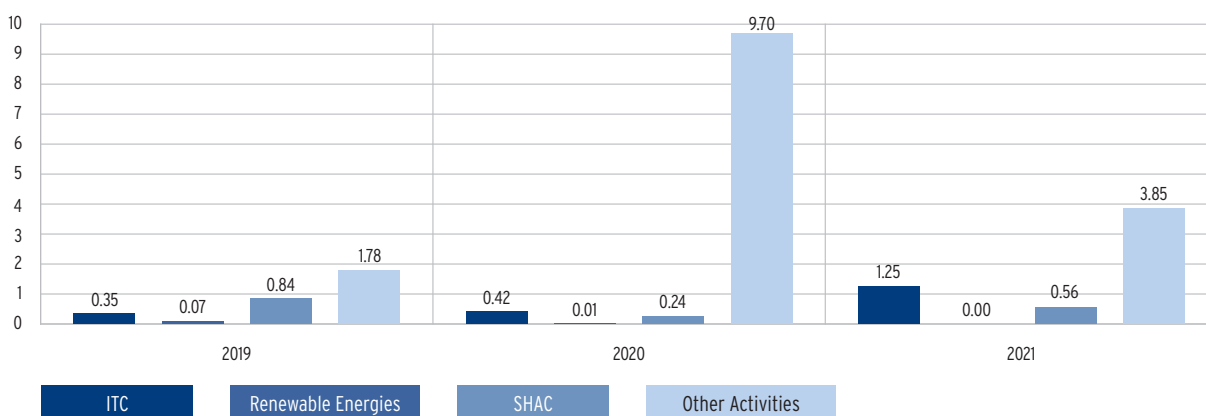
Cash flow statement (in kEUR)	2021	2020
Cash flow	-13,989	5,329
Cash flow from operating activities	-9,459	4,778
Cash flow from investing activities	-13,757	-4,752
Cash flow from financing activities	9,227	5,303
Consolidation-related changes	283	541
Thereof from assets previously held for sale	0	0
Changes in cash and cash equivalents	-13,706	5,870
Cash and cash equivalents at the beginning of period*	26,421	20,551
Cash and cash equivalents at the end of period**	12,715	26,421

*Incl. fixed deposits as collateral resp. restricted cash in the amount of kEUR 2,804 (1 January 2020: kEUR 3,089)

**Incl. fixed deposits as collateral resp. restricted cash in the amount of kEUR 5,098 (31 December 2020: kEUR 2,804)

In the financial year 2021, the 3U Group's disbursements pertained in particular to the acquisition of two companies operating in cloud computing and payments made for progress in building the office property in Würzburg. As in the previous year, investments were also made to a more minor extent in data centres, IT and telecommunications infrastructure.

Development of investments in EUR million



The main outflows of liquidity in connection with acquiring companies are juxtaposed cash inflows from the sale of space, both in the Adelebsen property and in the construction project in Würzburg, as well as from borrowings to finance this project.

Operating cash flow was negative at EUR -9.46 million in the reporting year (previous year cash inflow of EUR 4.78 million). The slight improvement in net earnings for the period compared with the previous year was increased by depreciation and amortisation in the financial year of EUR 4.50 million (previous year: EUR 5.61 million). The sharp rise in current trade receivables, mainly resulting from the sale of office space in the Würzburg construction project as well as advance payments in the SHAC segment and business expansion in the ITC segment, is reflected in the cash outflow.

Gains from the disposal of assets are deducted from earnings for the period as these are allocated to investment activities. They essentially relate to payments received from the sale of parts of the Adelebsen property in the reporting year 2021. Gains from the disposal of ClimaLevel Energiesysteme GmbH and the Lüdersdorf wind farm were generated in the financial year 2020.

Along with these incoming payments, a key determinant on the cash flow from investing activities consisted of the acquisitions made by weclapp SE. Cash outflow from the purchase of consolidated companies and other business units came in at EUR 13.24 million (2020: no cash outflow from comparable transactions). In addition, investments in property, plant and equipment were made, especially in connection with building office properties in Koblenz and Würzburg. Consequently, a cash outflow of EUR 13.76 million from investment activities was incurred on balance. In the previous year, following the sale of assets, (in particular, the sale of the Lüdersdorf wind farm and of 3U's stake of 75 % in ClimaLevel Energiesysteme GmbH), a cash inflow of EUR 4.75 million was recorded.

The cash flow from financing activities generated a cash inflow of EUR 9.23 million (previous year: cash inflow of EUR 5.30 million). Payments for the scheduled and unscheduled repayment of loans and leasing liabilities as well as to shareholders of 3U HOLDING AG and to minority interest are offset by incoming payments from taking out bank loans worth EUR 14.95 million (previous year: EUR 8.15 million).

The 3U Group was able to meet its payment obligations at all times in the period under review, which is also guaranteed for 2022. The liquidity situation continued to be satisfactory as of 31 December 2021.

Capital structure

As part of the property developer model in relation to the building and selling the property in Würzburg, incoming payments from buyers also serve to furnish collateral for the loan. In this context, restricted cash and cash equivalents have risen from EUR 2.80 million to EUR 5.10 million. Taking account of these restrictions, cash and cash equivalents declined from EUR 23.62 million as of 1 January 2021 to EUR 7.62 million as of 31 December 2021.

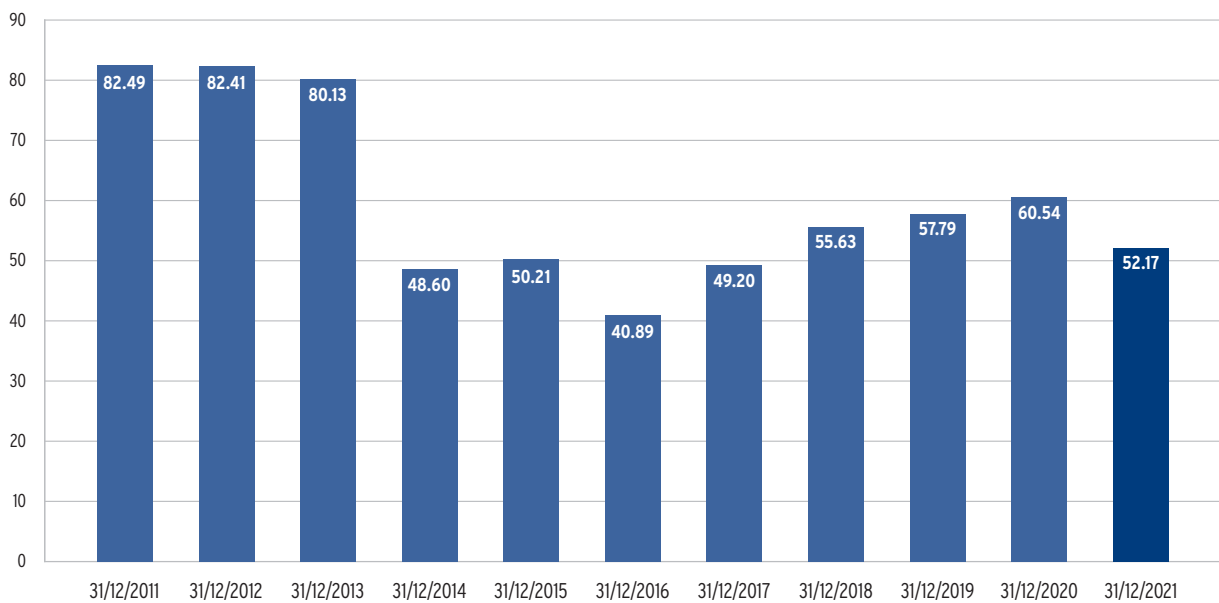
Compared with 31 December 2020, cash and cash equivalents contracted by EUR 13.71 million, from EUR 26.42 million to EUR 12.72 million on 31 December 2021.

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

The continued sound equity ratio stood at 52.2 % on 31 December 2021 (31 December 2020: 60.5 %). Along with profit available for distribution in the financial year 2021, the increase in the absolute amount of equity which rose by EUR 10.11 million to EUR 62.11 mil-

lion (31 December 2020: EUR 52.0 million) resulted from other companies joining in the ITC segment as well as from changes in capital reserve, largely following a capital reduction in subsidiary weclapp SE carried out in the context of preparations for this company's IPO.

Development of the equity ratio (in %)



Asset position

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Overview of balance sheet items	31/12/2021		31/12/2020	
	kEUR	%	kEUR	%
Non-current assets	69,852	58.6	39,203	45.6
Fixed assets	67,899	57.0	37,242	43.3
Deferred tax assets	1,808	1.5	1,855	2.2
Other non-current assets	145	0.1	106	0.1
Current assets	49,195	41.4	43,529	50.7
Inventories	13,585	11.4	8,570	10.0
Trade receivables	16,049	13.5	3,799	4.4
Other current assets	6,846	5.8	4,739	5.5
Cash and cash equivalents	12,715	10.7	26,421	30.8
Assets held for sale	0	0.0	3,163	3.7
Assets	119,047	100.0	85,895	100.00
Non-current liabilities	104,057	87.4	73,876	86.0
Equity attributable to 3U HOLDING AG shareholders	55,247	46.4	51,149	59.5
Non-controlling interests	6,865	5.8	849	1.0
Provisions and liabilities	41,945	35.2	21,878	25.5
Current liabilities	14,990	12.6	12,019	14.0
Trade payables	3,884	3.3	3,172	3.7
Other provisions and liabilities	11,106	9.3	8,847	10.3
Liabilities	119,047	100.0	85,895	100.0

Total assets stood at EUR 119.05 million on 31 December 2021 (31 December 2020: EUR 85.90 million) and have therefore risen by EUR 33.15 million compared with the year-earlier reporting date. The balance sheet extension is essentially attributable to the increase in intangible assets following the inclusion of two newly acquired companies in the consolidation scope. This is set against higher non-current financial liabilities and against equity which has risen by EUR 10.11 million. The share of non-controlling interests rose by EUR 6.02 million and that of 3U HOLDING AG's shareholders by EUR 4.10 million.

Along with goodwill worth EUR 18.35 million (31 December 2020: EUR 0.60 million), non-current assets of EUR 69.85 million (31 December 2020: EUR 39.20 million) comprise in particular intangible assets taken over in the context of acquiring the new com-

panies which have joined the Group. Among other aspects, this includes the brand rights, customer relationships and the cloud platforms, which together total EUR 8.03 million. The usage rights also comprise leases for office premises. The increase in the value of property, plant and equipment to EUR 33.55 million (31 December 2020: EUR 32.26 million) reflects the progress made in construction work on the Würzburg project as well as the completion of the distribution centre in Koblenz.

Non-current assets amounted to EUR 49.20 million as of 31 December 2021 (31 December 2020: EUR 43.53 million), reflecting an increase of EUR 5.67 million compared with the 2020 reporting date. The change is accounted for by the sharp increase in current trade receivables which largely pertains to the buyers of office space in the Würzburg, while also resulting from prepayments in the SHAC segment and from the growth in the ITC segment's business. Inventories of EUR 13.59 million (31 December 2020: EUR 8.57 million) include the projects which are under way in the Renewable Energies segment as well as goods in the SHAC segment. The share of cash and cash equivalents in non-current assets declined as of 31 December 2021 due to investment activities and stood at 25.8 % on that date (31 December 2020: 60.7 %).

Acquisition and construction activities exert determinant influence on the liabilities side of the statement of financial position as of 31 December 2021. The increase of EUR 13.78 million in non-current and current financial liabilities is principally due to the taking out of loans in order to complete the construction project in Koblenz, as well as for the start of construction work in Würzburg. Furthermore, the bank liabilities from the consolidation of the newly acquired subsidiaries are also included in this amount. Other non-current liabilities largely include accrued and deferred items relating to advance payments from cloud computing customers.

The key financials remained at a satisfactory level at the end of the financial year 2021. Owing to the aforementioned developments, the debt-to-equity ratio increased from 65.2 % as of the reporting date in 2020 to currently 91.7 %. The financial liabilities exceeded the cash and cash equivalents by EUR 18.2 million as of 31 December 2021 (31 December 2020: net cash of EUR 9.32 million). At the same time, working capital rose by 8.6 % and had reached a level of EUR 34.21 million by the reporting date (31 December 2020: EUR 31.51 million).

3U HOLDING AG

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3U HOLDING AG is the operating management and investment holding company which heads up the 3U Group. It manages and monitors all important activities within the Group. The tasks incumbent on the company include defining the corporate strategy and steering the development of the 3U Group. It is responsible for accounting and controlling in the 3U Group. It manages risks and opportunities throughout the Group, and oversees the Legal, Investor Relations and Corporate Communication departments. 3U HOLDING AG 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 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 1.85 million in 2021 (previous year: 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. The revenue decline is essentially attributable to lower rental income.

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 of EUR 4.37 million (previous year: EUR 2.26 million) largely originates from the sale of parts of the Adelebsen property (EUR 1.93 million) as well as from the lower level of value adjustments on accounts receivable and the write-ups of financial assets in an amount of EUR 2.06 million (previous year: EUR 0.51 million).

Personnel expenses of EUR 2.99 million were incurred for the company's staff and for the members of 3U HOLDING AG's Management Board (previous year: EUR 2.90 million). Other operating expenses mainly include intercompany services of EUR 0.71 million (previous year: EUR 0.75 million) and valuation adjustments of receivables amounting to EUR 3.12 million (previous year: EUR 0.21 million). This item also includes maintenance and premises costs, accounting and auditing costs, vehicle fleet costs, tax advisory and other consultancy costs, Supervisory Board remuneration, costs of the stock exchange listing, as well as costs for investor and public relations in an amount comparable to that of 2020.

The financial result of EUR 1.48 million (previous year: EUR 1.96 million) comprises income from participating interests of

EUR 0.80 million (previous year: EUR 0.94 million), income from profit and loss transfer agreements amounting to EUR 2.25 million (previous year: EUR 1.63 million), expenses from the assumption of loss amounting to EUR 1.78 million (previous year: EUR 1.15 million) and from net interest income of EUR 0.37 million (previous year: EUR 0.56 million). The investment result originates from the profit generated by the subsidiaries in the ITC, Renewable Energies and SHAC segments. Compared with the previous year, expenses from the assumption of losses have increased significantly again. This is especially due to the optimisation of warehousing and logistics activities at the subsidiary in the SHAC segment. Furthermore, impairment of EUR 0.16 million was recognised on the carrying amount of participating investments in subsidiaries in the financial year 2021 (previous year: EUR 0.03 million), as well as individual value adjustments to the recognition of loans granted to affiliated companies.

Due in particular to the higher level of other operating expenses, a loss of EUR 1.67 million was recorded in the financial year 2021 (loss in the previous year: EUR 0.22 million).

Financial position

As of the reporting date, 3U HOLDING AG had granted its subsidiaries short-term loans in an overall volume of EUR 36.84 million (31 December 2020: EUR 24.70 million) to promote the development/expansion of their business activities. Of these loans, EUR 7.31 million were value adjusted as of 31 December 2021 (31 December 2020: EUR 6.20 million).

Cash and cash equivalents came in at EUR 2.28 million as of 31 December 2021 (31 December 2020: EUR 12.40 million). The decline in cash and cash equivalents is mainly due to extending a loan in an amount of EUR 12.30 million to a subsidiary. 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 2021, these credit lines had been drawn down under a guarantee credit in an amount of kEUR 575 (31 December 2020: kEUR 562). Gold stocks worth EUR 2.97 million were reported under Other assets (31 December 2020: EUR 2.98 million).

Asset position

3U HOLDING AG's total assets stood at EUR 67.61 million as of 31 December 2021 (31 December 2020: EUR 66.11 million), marking an increase of 2.3 %.

Upon completion of the construction project in Koblenz, the commercial property built on this location is now reported under land and buildings. At EUR 14.73 million, property, plant and equipment was 4.9 % lower overall than on the year-earlier reporting date (31 December 2020: EUR 15.50 million), mainly due to the disposal of parts of the Adelebsen property. Following the granting of a loan to a subsidiary, the portfolio of receivables from affiliated companies was significantly higher at EUR 35.34 million (31 December 2020: EUR 23.04 million). Among other items, this was offset by the decline in cash and cash equivalents.

At the same time, the liabilities from affiliated companies of EUR 8.91 million exceeded the level on the previous year's reporting date by 50.2 % (31 December 2020: EUR 5.93 million). With a view to optimising the deployment of funds within the group of companies, 3U HOLDING AG has taken out additional loans in the case of subsidiaries LineCall Telecom GmbH and 3U TELECOM GmbH.

The financial assets have remained virtually unchanged at EUR 11.37 million compared with the previous year (31 December 2020: EUR 11.55 million). The share in total assets of 16.8 % (31 December 2020: 17.5 %) is essentially only lower than in the previous year due to the balance sheet extension.

Including prepaid expenses and accrued income, working capital of EUR 41.45 million (31 December 2020: EUR 39.01 million) represented 61.3 % of the balance sheet total (31 December 2020: 59.0 %).

A major component consisted of short-term loans extended within the Group with a book value of EUR 35.34 million (31 December 2020: EUR 23.04 million).

Equity stood at EUR 47.43 million (31 December 2020: EUR 50.86 million) and was therefore 6.7 % lower than on the previous year's reporting date due to the withdrawal of EUR 3.50 million from other retained earnings. As of 31 December 2021, the equity ratio therefore stood at 70.6 % (31 December 2020: 76.9 %).

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 1.85 million available for distribution to pay dividend of EUR 0.05 per share.

72 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 are revenue, earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings after taxes.

Non-financial performance indicators are partly not included in regular financial reporting and do not consistently form part of corporate management and control. These indicators are calculated in the individual segments in accordance with the respective business models and are used for control and support purposes in marketing and in making sales decisions, for instance.

Online marketing and sales

3U has gained long-standing experience in targeted online marketing, particularly in cloud computing and in e-commerce tailored to the respective target group. It has given due consideration to the respective new channels and put them to use. In management's estimation, 3U has therefore built up an advantageous competitive position in the two business segments, which underpins the company's current and future success.

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. 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 and are therefore used as a rough estimation. The success of online marketing is reflected by the number of customers who order via one of the sales channels and have been invoiced.

	1/1-31/12 2021	1/1-31/12 2020	1/1-31/12 2019
YouTube connections	ca 2.3 million	ca 3.4 million	>2.5 million

	31/12/2021	31/12/2020	31/12/2019
YouTube subscribers	ca 13,000	ca 10,000	>6,000
Facebook followers	>24,130	>24,500	>20,000
Number of customers	107,934	153,760	127,812

The sharp increase in non-financial key performance indicators (KPIs) in the financial year 2020 is indicative of the high order intake via marketplaces such as Amazon, eBay and others, as well as through our own online store. This exceptionally strong response was not repeated in the financial year 2021. The number of YouTube subscribers nevertheless continued to rise, and Facebook followers is still running at a high level. With the 12-point plan launched in the second half of 2020 to improve profit, Selfio GmbH began to focus its sales more on higher-margin sales channels. The decline in customer numbers is partly attributable to this initiative, but also reflects the general trend in the sector described in the section entitled "General conditions". The DIY market sustained significant declines in demand and revenue, compared with the boom year 2020, and 3U's e-commerce operations also had to confront the challenge of supply bottlenecks in the construction sector.

In cloud computing the focus is also on winning new customers and on customer retention. In this strategic area as well, online marketing is one of the key factors of success. weclapp SE's Management Board manages and controls the growth process with the aid of selected financial and non-financial KPIs. At the time when the consolidated financial statements were prepared, incorporating the newly acquired subsidiaries into the relevant reporting had not yet been concluded.

weclapp SE excl. subsidiaries	2021	2020	2019	2018
Financial and non-financial key data				
Trial access registrations (p. a.)	7,456	8,055	7,892	7,622
Conversion rate (p. a.)	12.6 %	11.1 %	11.3 %	11.4 %
Number of paying customers (31 December)	4,184	3,633	3,136	2,531
Average number of subscriptions per customer (31 December)	7.0	6.2	5.6	5.2
Average revenue per customer subscription	28.67 EUR	26.97 EUR	24.27 EUR	22.00 EUR
Customer acquisition costs (average for the year)	1,565 EUR	826 EUR	1,404 EUR	897 EUR
R&D expense as a percentage of revenue (average for the year)	24.0 %	24.9 %	30.2 %	28.4 %
Monthly recurring revenue (December)	843 kEUR	609 kEUR	424 kEUR	289 kEUR
Average revenue per account (December)	201 EUR	168 EUR	135 EUR	114 EUR

The teams dedicated to acquiring and supporting customers were expanded in the financial year 2021. This served to significantly raise the share of prospective customers in particular who, having used test access, also book access packages on the weclapp platform tailored to their needs. Despite the decline in the absolute figure of registered trial accesses the customer conversion rate improved significantly and therefore also the number of customers and monthly recurring revenue. The fluctuations in customer acquisition costs are explained by this procyclical hiring of new employees and by increasing the marketing budgets.

The strategic focus in the financial year 2022 was placed on encouraging the free trial process, flanked by a stable customer conversion rate. Other key components of the growth strategy include a move towards acquiring generally larger customers and motivating existing customers to book higher value access packages. The success of these combined approaches is evident from the increase in the number of users per customer, from the average revenue per customer, from booking higher-value packages, as well as from the trend of average revenue per customer.

Along with ongoing penetration of the German market, weclapp is working on internationalising its business in a targeted manner. In view of a business partnership initiated with an IT and ERP service provider based in northern Italy, entry into the Italian market was prioritised in a first step. The foundations for online marketing in the French and Spanish markets were laid over the course of the financial year 2021. The proportion of international customers is therefore expected to increase gradually.

Research and development

Taking the development of the weclapp platform forward with a strong focus on the customer is a key success factor in the cloud computing, business. weclapp SE therefore consistently sets about strengthening its product management and development teams.

weclapp's development activities are also eligible for application in other areas of the Group. Along with other products, an app developed by weclapp was made available in February 2022. Selfio customers can use this app to configure their floor heating themselves online.

weclapp SE is also relying more heavily on the development and use of algorithms for machine learning and artificial intelligence (AI). In this area as well, development projects aimed at assisting weclapp customers to safeguard or gain competitive advantage take centre stage. Current topics were presented to a specialist audience for the first time on the occasion of the "ERP System of the Year 2021" competition. The development team involved in these activities was expanded in the financial year 2021 and cooperations initiated, for instance, through membership in industry association Bitkom e. V. and through close contact with various research establishments.

Corporate responsibility

Impact of our business on the environment

Fulfilling our entrepreneurial responsibility is an integral part of our corporate strategy. We systematically consider the various needs of our stakeholders and mitigate the impact of our business on the environment. In our endeavours, we seek to achieve a balance between economic objectives and corporate responsibility. By stepping up our business with renewable energies and expanding the SHAC segment through efficient solutions to avoid using energy, we are actively investing in environmental protection and demonstrating our commitment to society. We also seek to use renewable energies in the other parts of the Group as well. Among other activities, a rooftop photovoltaic plant was installed. This plant will cover up to 60 % of the annual electricity consumption by harnessing solar power, while saving around 132 tons of CO₂. Moreover, we also strive to take account of environmental aspects when procuring products and services.

To infuse these principles with even greater systematic validity in the future, work has begun on crafting a sustainability strategy. This strategy will culminate in a system of goals and measures geared to improving critical environmental, social and governance-related aspects (ESG).

As a technology- and efficiency-oriented Group, we regard a progressive degree of digitalisation in our own business processes as critical. During the ongoing process of optimising workflows, contract and signing processes were switched to a certified document management system for the entire 3U Group in the reporting year. With regard to data security and compliance with the law, almost 400 signature workflows have been electronically enabled through this system.

weclapp SE is an active member of Leaders for Climate Action (LFCA), an international association of technology companies committed to the environment and climate targets. In the financial year 2021, weclapp SE conducted an audit on itself from the standpoint of environmental aspects and, along with measuring its carbon footprint, introduced measures to compensate and mitigate these aspects. With this in mind, the position of a sustainability officer was created. Carbon emissions were compensated by way of providing financial support for reforestation projects, specifically in the forested areas in Brandenburg and Bavaria through ClimatePartner Foundation gGmbH. With a view to reducing the carbon footprint, employees are required throughout the entire weclapp Group to give preference to digital alternatives over business trips wherever appropriate, to avoid paper consumption and to act in a resource-conserving manner. Approval and signature processes are digitalized. In the financial year, environmental and social individual initiatives were launched in the team.

ITscope GmbH uses green electricity in its offices in Karlsruhe (GoO certificate) and is gradually switching its company car pool to pure e-cars. ITscope GmbH has been a long-standing sponsor of the informatics youth forum of International Forum Burg Liebenzell e. V., contributing content and providing financial support.

Forecast, Opportunities and Risk Report

Forecast

Economic outlook

In 2022, the German government anticipates an increase in the price-adjusted gross domestic product (GDP) of 3.6 %. Economic output in the first quarter is likely to remain constrained by the coronavirus pandemic and the respective restrictions, above all in the services sector. As the year progresses, economic recovery should gain notable momentum after the infection rate has flattened out, as expected, and the relevant restrictions have been lifted. The economic trend also depends to a not insignificant degree on how Russia's invasion of Ukraine unfolds and the impact.

Assuming that the pandemic and the associated supply bottlenecks will ease, gross fixed capital formation expressed as an annual average is likely to rise again considerably this year. Building investment will also increase and stimulate Germany's economy although the price trend of building materials may have a dampening effect.

Fortunately, the recovery on the labour market held steady over the past year despite weakness in the industry from supply chain bottlenecks and fresh restrictions on the services sector. This development is likely to continue in the current year as well although the speed at which the recovery approaches the pre-crisis level may slow as the year progresses. Rising employment and higher wages will enable strong growth in private consumption. Public sector consumption should meanwhile remain at its high level in real terms.

Risks arise in particular from the development of the pandemic which may require more extensive and protracted measures to combat it than assumed. In addition, restrictions over a longer period and supply bottlenecks, especially in the context of global infection rates and containment measures in other countries, could also exert a greater negative effect on value added generated in the manufacturing sector. If inflationary pressure increases, as is suggested by the war in Ukraine, central banks may resort to a more restrictive policy than assumed.

Further potential risks also arise from the high indebtedness of the corporate sector and of nations, as well as possible overheating on the financial and real estate markets. If supply chain bottlenecks ease faster than assumed and the pandemic can be overcome more quickly, the overall economic development may generally be better than expected.

The high level of savings over the last two years suggest that pent-up demand in private consumption may be stronger than anticipated in the German government's annual forecast.

3U HOLDING AG's Management Board anticipates that, as in the financial year 2021 and as is already the case in the current financial year, the business of Group companies will be able to develop well irrespective of the measures to tackle the pandemic. With the economy rebounding and employment growth, 3U's business activity may derive additional impetus. This is particularly applicable to the scenario in which the current restrictions on the delivery of goods for 3U's e-commerce business can be lifted in the long term.

Strategic direction

The Management Board considers the economic prerequisites for 3U HOLDING AG turning this environment successfully to its advantage as good. Through its work to build up new, successful areas of business in recent years, 3U enjoys profitable business models in its three segments. 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 newly acquired. In recent years, 3U has steadily improved although the unfavourable weather conditions and global supply chain bottlenecks in the year 2021 had a braking effect.

The Management Board therefore considers that 3U's fields of business are well equipped for fulfilling the forecast. They continue to operate in mega trends, which lays a sound basis for success. Management in the customer-centric segments of ITC and SHAC ensure that the products and services are in line with market demand. Customer feedback is obtained and used for the continuous optimisation of the product range and offering.

Enhancing efficiency and improving margins continue to be a central task incumbent on management at all levels. Optimisation potential has been identified and rigorously exploited. The initial position and projects initiated underpin the confidence of 3U HOLDING AG's Management Board that the following defined goals can be achieved.

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 are mirrored in the positive price performance of the 3U share.

In the ITC segment, we will be able to deliver substantial revenue growth in 2022.

Ambitious planning in the cloud computing business envisages nominal revenue growth of more than 60 % in 2022 compared with the financial year 2021. The fact that the companies in the weclapp SE subgroup newly acquired in 2021 were only consolidated in the fourth quarter should be taken into account. If one assumes a pro forma consolidation of the acquired companies in the consolidated group for the entire financial year 2021 as a starting basis for growth expectations, the forecast for revenue growth amounts to around 30 %.

Growth is based successfully charting the strategy: ongoing online marketing and its active implementation, also in markets outside Germany, the consistent developing of the partner network in Germany, with a move towards internationalisation, along with customer-oriented development and the expansion of the weclapp platform and add-ons to the offer through AI components. This strategy dovetails in all its key components with the marketing and sales strategy of the newly acquired subsidiaries. The measures planned in marketing and sales, along with research and development, will result in higher personnel numbers and higher cost ratios.

With the Next Generation Network developed in 2019, our telecommunications activities enjoy an excellent technical foundation for maintaining the higher level of revenue achieved in 2021 through efficiency and new service offerings in a market which is no longer growing, and for further consolidating profitability. In this context, the possible declines anticipated in the Voice Retail business line will be considerably overcompensated by the foreseeable stabilisation in the other telephony operations through win-

ning new customers, through improved capacity utilisation of the data centres, and through the introduction of further IT services for external customers. The strategic focus in marketing and gaining new customers is placed on managed services.

In the ITC segment, the increased proportion of higher margin business will once again drive EBITDA and the segment result, both in cloud computing and in telecommunications. To accelerate the growth of weclapp SE, also in the international arena, hiring new staff is nevertheless ongoing and higher sales expenses are incurred. A counter trend may emanate from the sharp increase in energy costs which would reduce earnings. Moreover, extraordinary expenses are also expected from preparations in the financial year 2022 to acquire further companies, as well as from a possible listing of weclapp SE. These counter effects are likely to constrain an increase in the ITC segment's EBITDA. The nonetheless significant increase in EBITDA anticipated will be offset by a higher level of depreciation and amortisation. Consequently, the segment result, net of minority interest, is likely to be marginally below the year-earlier level.

For the time being, our strategy in the Renewable Energies segment is based – for the duration of the moratorium in Brandenburg – on the successful operation of our wind farm portfolio, negotiating advantageous electricity supply contracts, the careful expansion of our plant portfolio, as well as the sale of wind farms. We are keeping a close eye on the development in Brandenburg and will move forward with project development activities in an expedient manner

Along with technical availability, 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 2022 is based on the assumption of average wind yield and solar irradiation, as well as on the price structure agreed with customers in the case of our wind farms.

Against the backdrop of unfavourable weather conditions in the financial year 2021, we expect a return to higher levels with wind and sun in 2022, and are planning for a strong increase in revenue, EBITDA and the results of the Renewable Energy segment.

The SHAC segment continues to be negatively affected by supply chain bottlenecks at present. Given the unsatisfactory development in the financial year 2021, we are expecting revenue growth in the segment again. Expanding the scope of consultancy services and continuing with successful online marketing should contribute to satisfactory demand, while procurement ensures sufficient supplies at advantages conditions. These are key success factors for achieving the organic growth planned for our e-commerce operations.

The successful start-up of work in the new Koblenz distribution centre in 2021 makes a decisive contribution to optimising the supply chain and should contribute to improving the segment's profitability. Our proven supplier relationships, economies of scale and the proportion of our own brands in the product portfolio which is marginally on the rise may contribute to strengthening our profitability in the SHAC segment despite great competitive pressure. To this end, the product and sales channel mix, along with marketing, is optimised on an ongoing basis. EBITDA almost at breakeven and a negative result are anticipated overall for the SHAC segment.

Stepping up organic growth in the cloud computing and e-commerce business lines can also be achieved through the strategic acquisition of other companies. This approach would serve to significantly expand the respective group of customers and busi-

ness partners, along with the range of products and services. The Management Board will actively seize such acquisition opportunities if they are financially advantageous. With a view to financing accelerated growth, the option of possibly launching the subsidiaries on the stock exchange is under investigation. Preliminary preparations in the run-up to a potential IPO of weclapp SE in the first half of 2022 have already commenced.

3U HOLDING AG

As in the previous year, the Management Board assumes that sales revenues of 3UHOLDING AG can be achieved in a range of between EUR 1.0 million and EUR 2.0 million.

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. 3U HOLDING AG's administrative costs in the financial year 2022 are expected to be slightly lower than the previous year's level.

The result of 3U HOLDING AG was positively impacted by the disposal of part of the Adelebsen property in the financial year 2021. Proceeds from the sale of assets have not been incorporated into planning in the financial year 2022. EBITDA is therefore anticipated in a range of 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. In particular, the carrying amounts of participating investments and valuation allowances on loans granted to subsidiaries may influence the 2022 annual result. All in all, a positive financial result marginally below the 2021 level is expected.

The Management Board therefore anticipates a negative result of between EUR -1.5 million and EUR -2.5 million for 3U HOLDING AG in 2022.

Forecast 3U Group

Against this backdrop, the Management Board expects a sharp increase in consolidated revenue which will derive support from the strong organic growth of our operating units in the financial year 2022. Sales revenue in 2022 is expected to settle within a range of between EUR 65 million and EUR 70 million. Moreover, earnings in the single-digit million range from the disposal of assets have been incorporated into planning. In view of the measures introduced to strengthen profitability, on the one hand, and the higher level of expenses for expanding cloud computing, the Management Board anticipates earnings before interest, taxes, depreciation and amortisation of EUR 10 million to EUR 12 million. Profit of the 3U Group is therefore expected in a range of between EUR 2 million and EUR 4 million.

The actual performance of business may be higher or lower than forecast here due to acquisitions of companies by 3U HOLDING AG or by other companies in the cloud computing business or due to selling operating units of the Group. The resulting effects can only be planned for to limited extent, however.

Predicting with any degree of certainty to what extent the war in Ukraine or the recently more stringent economic restrictions imposed to combat the COVID-19 pandemic will impact on business activities is not possible.

From the standpoint of 3U HOLDING AG, the disposal of assets in the financial years 2020 and 2021 took place in the context of its growth strategy and the associated financing concept. The proceeds were principally used for acquisitions in the cloud computing business, thereby underpinning preparations for a possible IPO of weclapp SE. Beyond this, the 3U HOLDING AG's Management Board will hold true to its strategy of developing successful parts of the business in the group of companies in the long term and selling them at attractive conditions when the respective demand arises.

In harmony with the corporate strategy, the Management Board is addressing a series of investment undertakings. Along with supporting weclapp SE in acquiring companies or customer bases in the cloud computing business, this also applies to more building projects relating to the innovation hub in Würzburg. Options for further very promising investments are meticulously assessed on a running basis.

At the same time, however, the business activities of the companies within 3U Group are subject to a number of common or specific 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.

Opportunities report

Similar to risks, opportunities are systematically identified and assessed in 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 expedient 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.

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 2022, new products in the Data Centre Services & Operation business line offer profitable opportunities for the ITC segment.

In Voice Business, the Next Generation Network as a highly topical and 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.

The cloud computing business continues on its strong growth trajectory in Germany and is stepping up its international sales activities. The expansion into other countries, supported by online marketing, flanked by distribution and finance partners, is the objective of the strategy which will be rigorously pursued in the financial year 2022 as well. New customers are essentially being gained through successful online marketing. If online marketing succeeds in raising the conversion rate of registered visitors to paying clients beyond the progress envisaged, and if customer support can convince existing clients of the need to increase the number of their licences above the current plan, this will generate additional revenue and earnings potential. Additional sales instruments are currently being tested and implemented and, if successful, could release further potential. Measures include, for instance, targeted advertising measures entailing costs, directly addressing prospective clients, as well as expanding key account management.

The loss of customers (churn) is attributable to various factors often not within weclapp's sphere of influence. weclapp nevertheless seeks and exploits possibilities for improving customer loyalty. If such measures result in the churn rate being significantly reduced, this could also contribute to revenue and earnings exceeding the forecasted figures.

Powerful arguments for winning new customers and customer retention are inherent in the performance and quality of the product – when, for instance, weclapp creates competitive advantages for clients who can then perform their work themselves much more efficiently and creatively by using the ERP platform. weclapp has also set itself the task of expanding the platform into an ecosystem in which interaction between weclapp clients and third parties will play an increasingly important role. In addition, the development of artificial intelligence functionalities should enable customers to derive additional competitive advantages. If these undertakings can be realised more rapidly than planned, this may result in additional revenue and earnings potential.

Management anticipates a great deal of potential to be released through the acquisition and integration of ITscope GmbH from

cross-selling the services of one company for clients of the other, as well as from upselling, i.e. extending the range of services on offer of both companies. If, for example, the drive to expand the business model of the ITscope B2B platform beyond the current key target markets of IT system vendors to encompass other sectors results in success earlier than planned, this could raise results above budget.

The market launch of the FinanzGeek platform is currently envisaged for the second half of 2022. After a start-up phase, management expects demand to accelerate and that a four-digit number of clients can be acquired by the end of the year. If these expectations are exceeded, this will also deliver additional earnings potential. Conversely, results could fall short if these assumptions are not met.

The recruitment of qualified and customer-centric personnel may also improve the performance of the organisation and the software more quickly than anticipated. A counter effect may emanate from higher than planned personnel expenses. These statements apply to weclapp SE itself as well as to the other companies in the weclapp SE subgroup.

The corporate strategy also envisages the acquisition of competitors and customer bases. Successfully implementing this strategic component – as already in the financial year 2021 and as is ongoing also in the current year – may also generate sales and earnings above budget.

Renewable Energies segment

The current political priorities aimed at facilitating a swift achieving of the climate targets and the progressive transition away from conventional sources of energy serve to boost the demand for renewable energies.

The 3U Group is already well positioned with its portfolio of existing wind farms, the Adelebsen solar park, and a number of projects in the pipeline. The sale of other segment assets could result in a one-off cash inflow but will incur the loss of future contributions anticipated from the respective asset. If project development activities are eventually continued, 3U HOLDING AG could exploit various selling opportunities of wind farm projects in the future, also in the early stages; the company is, however, keeping the option open of operating completed wind farms itself as part of its commitment in the Renewable Energies segment, and thus of generating additional cash flow.

SHAC segment

Expanding the product portfolio, for instance to include water treatment, pumps, decentralised ventilation units, pipe insulation systems and more underfloor heating systems contributed to the growth of the business through e-commerce in recent years and, following the revenue decline in the financial year 2021, will continue to do so in the future. Beyond planning, the launch of new product groups, as well as increasing the volume of the segment's own brands in the range open up new earnings opportunities. Improved customer orientation may also raise the repeat purchase rate above the budgeted level. In addition, Selfio GmbH has offered design services for building and renovation projects against a fee since 2020. If take-up of the new offering is better than expected, revenue and earnings could then increase. Significant opportunities also arise from extending and optimising the supply chain. 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.

The implementation of the 12-point Plan in mid-2020 aimed at raising profitability also provides for further measures for optimising the sales channels mix and for enhancing efficiency in the area of marketing. If the success of these – once implemented – is greater than currently planned, growth in the SHAC segment's profitability may exceed current expectations.

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, the individual risks are examined, evaluated 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 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 implemented a risk management system which is adequate for the Group and also complies with legal and regulatory requirements. This groupwide risk management system covers all risks, not only of the parent company but also of all subsidiaries.

The risk management system is continuously adjusted to reflect 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.

The risk management system of 3U HOLDING AG complies with legal requirements.

As part of a continuous, groupwide process of improvement, 3U Group has connected up the areas of compliance, accounting processes, ICS and risk management to form an aggregate of interlinked individual systems. The 3U Group consults the internationally recognised standard and COSO ERM for guidance to the extent that management considers the approaches described as appropriate. In doing so, the Executive 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 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. 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 employees are required to act in an awareness of the risks within the scope of the tasks and responsibilities assigned to them. The respective risk officers 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 the risk officer and the risk owner in evaluating and managing the risks for the Group companies. Integrating the newly acquired Group company ITscope into 3U's risk management system has been completed and initiated for FinanzGeek.

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 officer, 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 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 forms the basis for regular reporting.

Definition of risk

Risk is defined as the possibility of a negative deviation between the actual and anticipated result (corporate target). There is a risk of adverse events occurring (loss of assets or of earnings) or of desired events not occurring (missed opportunities).

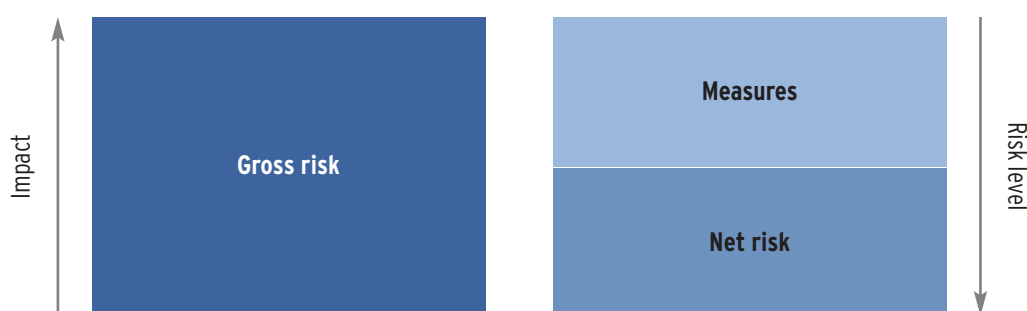
Definition of gross and net risk

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. Compensatory controls are defined as measures which are suitable for avoiding, mitigating or transferring risk. In addition, there is also a possibility of taking on risk at an acceptable level if reducing risk further is not economically viable.

Considering gross risk is indispensable since the danger of merely considering 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 the potentially ensuing additional risks not being detected in good time.

To evaluate net risks, existing compensatory measures are taken into account in the risk assessment. They serve as a basis for operational risk management.

The gross risks become net risks (residual risks) through internal controls and the measures identified.



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 less than 65 % |
| (4) High | – at least 65 % and less than 95 % |
| (5) Highly probable | – at least 95 % to 100 % |

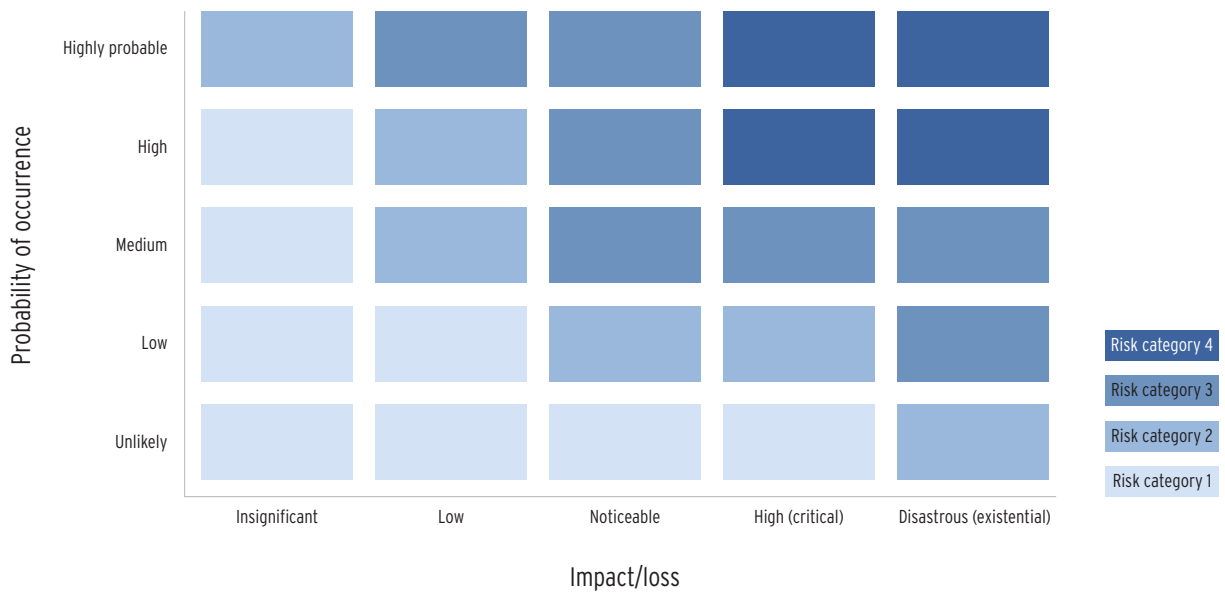
The amount of loss is determined individually for each company at the level of the respective company. Individual risks are aggregated at Group level and categorised based on an evaluation scheme.

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) Insignificant | – the share capital is depleted by less than 5 % or EUR 1.76 million |
| (2) Low | – the share capital is depleted by at least 5 % or EUR 1.76 million and less than 10 % or EUR 3.52 million |
| (3) Noticeable | – the share capital is depleted by at least 10 % or EUR 3.52 million and less than 25 % or EUR 8.8 million |
| (4) High (critical) | – the share capital is depleted by at least 25 % or EUR 8.8 million and less than 50 % or EUR 17.6 million |
| (5) Disastrous (existential) | – the share capital is depleted by at least 50 % or EUR 17.6 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

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. The extent of the measures deployed varies depending on the type and classification of the respective risk.

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.

Risks	Probability of occurrence	Amount of loss	Expected value	Changes compared with the previous year
Operative risks				
ITC segment	Low	Low	1	➡
Renewable Energies segment	Medium	Insignificant	1	➡
SHAC segment	Low	Insignificant	1	➡
Strategic risks				
ITC segment	Low	Noticeable	2	➡
Renewable Energies segment	Low	Noticeable	2	➡
SHAC segment	Low	Low	1	➡
Regulatory risks				
ITC segment	Low	Insignificant	1	➡
Renewable Energies segment	Medium	Insignificant	1	➡
SHAC segment	Medium	Insignificant	1	➡
Financial risks				
ITC segment	Medium	Low	2	➡
Renewable Energies segment	Low	Low	1	➡
SHAC segment	Low	Insignificant	1	➡

➡ Unchanged ⬇ Decreased ⬆ Increased

Risks

Significant current and future risks in the Group

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 elaborated on below.

In the 2021 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 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. Such variation takes account of changed market and operating conditions, also factoring in the continuation of stringent measures to combat the pandemic. 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, these companies undergo a risk inventory which is conducted as swiftly as possible in order to identify and assess company-specific risks. These companies and their risks are automatically integrated into the Group's risk management system.

Risk assessment regarding Russia's invasion of Ukraine

The Russian Federation's attack on neighbouring Ukraine in February 2022 has triggered an extensive re-evaluation of international relationships at a political, economic and cultural level. Although the markets in the two countries have a very marginal influence on 3U HOLDING AG's business and that of its companies, it is currently not possible to reliably ascertain the extent to which developments in global policy and on an economic and financial scale will impact the business of the 3U Group. If the general conditions in the core and target markets of the 3U Group's companies should significantly deteriorate, in the wake of recession or inflation, for example, this could have a negative impact on the results of operations, net assets and the financial position of 3U HOLDING AG and its Group companies.

Risk assessment in view of the current virus epidemic and the measures required by health policy

Since the onset of the COVID-19 pandemic, the Management Board has kept a close eye on social and economic developments and has regularly assessed the ensuing risks. At a very early stage, the Management Board introduced precautionary measures at the various sites and in the companies to minimise the risk of infection in the workplace for employees. The individual segments are affected in different ways by the current virus epidemic and the measures required by health policy. In the ITC segment, business development in the telephony sector was temporarily positively impacted by the greater use of the network. The cloud-based platforms of the weclapp subgroup meet the currently increased demand for location-independent operational readiness. Whether and to what extent possible insolvencies of small and medium-sized customers could have a negative impact on business in cloud

computing cannot be reliably assessed at this point in time. Our business in the Renewable Energies segment is currently not subject to any discernible risks arising from the current virus epidemic and the measures required by health policy. Business in the SHAC segment was negatively impacted by constraints on global supply chains and delays in the delivery of the products required. Notable price increases could not be passed on to customers in full.

Thanks to the Group's sound liquidity position and the measures we have initiated, we continue to consider ourselves well-equipped at present to counter the crisis situation.

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 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. The subgroup of weclapp SE which formed in the financial year 2021 has commenced with building up its own capacities in this area, with responsibilities already appropriately defined in the newly acquired group company ITscope. In accordance with the planning requirements, suitable employees are searched for and hired, or existing staff trained further. 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 management

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 values management system, a whistleblowing process and additional rules on organisational structure and procedures. Training and measures to raise awareness are regularly held with respect to the binding rules and standards. In order to mitigate the risks arising in the field of compliance and for the purpose of coordinating and further optimising compliance management, this function is segregated and assigned to a further senior executive.

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 watch 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 2022. 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 products geared to the customer. 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 has been countered through the expanding and ensuring the redundancy of the network infrastructure, along with the associated processes. The standards achieved so far always constitute 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.

Cloud activities which are becoming increasingly important for the ITC segment take place in a dynamic market environment which requires innovative and customer-focused solutions within a narrow time window. There is a permanent risk here that markets requirements and developments will not be identified and implemented in time. The market is therefore observed very closely, and the solutions are adapted to customer requirements. The success of these endeavours is reflected in the steady increase in the number of users deploying cloud products. The risk of low customer satisfaction, especially as a result of very different expectations, is countered by regular quality inspections and maintaining close contact with customers. With a view to counteracting the risks of developing products which are not in line with the market, discussions with strategic partners and financial investors have been stepped up in order to promote growth and expansion into new markets.

Since the newly acquired Group companies in the cloud computing business operate the same business model as weclapp SE in the same market (Software-as-a-Service), the risk profile of these companies does not essentially diverge from weclapp SE's risk profile.

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. In view of scaling back project development activities in response to the moratorium in Brandenburg and paring down the project development portfolio to focus on major projects with a promising prospects, risk analysis in the Renewable Energies segment is therefore concentrated on technical availability of the wind turbines.

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 the segments logistics operations to a new distribution centre have 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, particularly 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. This risk correlates with default risk, which is defined as the risk of a contract 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 only uses derivative financial instruments to hedge 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.

3U HOLDING AG has an almost ambivalent attitude to the current low interest rate environment. On the one hand, it is negatively affected because it has invested its cash exclusively in demand deposits and fixed-interest, short-term investments, and is therefore currently only generating low interest income or even has to pay negative interest. A measure to counteract this consists of investing part of the liquidity in gold. On the other, 3U HOLDING AG uses the low interest rates to secure long-term debt capital at attractive interest rates, if necessary. As the low interest rate level in Germany is expected to persist for the time being, the plan is to continue borrowing for future investments in the expansion of existing business.

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 management and control systems consisting of risk management system, ICS, compliance, controlling, planning processes and regular reporting enables potential risks to be identified and managed as an early stage. The possibility of risks arising in the future on the basis of assumptions made, which could deviate from the expectations and significantly impair the development of the 3U Group and of 3U HOLDING AG cannot, however, be excluded.

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

The accounting process is conducted centrally by the 3U HOLDING AG's Financial department for Group companies. Accordingly, all companies are subject to a standard process and risk assessment under the accounting process. Expanding the weclapp subgroup's accounting capacities while integrating the proven workflows and controls of the 3U Group has been initiated.

The control system 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. 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 internal control system consists of internal control and monitoring functions which are either integrated into work processes or carried out independently. 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 internal control system 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 implementation of internal controls is based on identifying a risk at this juncture of the accounting process. This risk may originate from various sources, also from legal provisions. The dual effect of risk and compliance management and the internal control system is particularly apparent in the accounting process and is therefore consistently optimised in an ongoing 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 internal control system 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.

Remuneration Report

In the following remuneration report, 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 current and former members of 3U HOLDING AG's Management Board and its Supervisory Board in the financial year 2021.

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 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) on 26 March 2021, and by the Annual General Meeting on 20 May 2021 by a majority of 77.91 % of the capital represented ("Remuneration System 2021").

The remuneration system complies with the requirements 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 in the version dated 16 December 2019. It replaces the formerly valid 2010 remuneration system.

Application of the Management Board remuneration systems in the financial year 2021

Since the adoption of the resolution by the Supervisory Board, the current remuneration system for the company's Management Board is taken into account when new employment contracts are concluded and when the employment contracts of serving Management Board members with the company are renewed. The Management Board contracts valid until the end of the financial year 2021 for serving Management Board members Michael Schmidt and Andreas Odenbreit, as well as for Management Board member Christoph Hellrung who withdrew from the Board with effect from 31 October 2021, did remain in force unchanged, also after the 2021 remuneration system has been approved, until the end of the term on 31 December 2021. The rules on remuneration contained therein are consequently still based on the 2010 remuneration system that is also described once again in the following. The contract of employment for Management Board members signed with Uwe Knoke who was appointed to the Management Board as of 1 November 2021 reflects the 2021 remuneration system. The new Management Board employment contracts for Management Board members Michael Schmidt and Andreas Odenbreit with a five-year term starting on 1 January 2022 have been concluded in accordance with the 2021 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.

Basic components of the 2010 remuneration system

The structure and the amount of the remuneration of the Management Board members is determined by the Supervisory Board and regularly reviewed. The 2010 remuneration system is geared to the Act on Disclosure of Management Board Remuneration (VorstOG) which came into force on 5 August 2009.

As part of the 2010 remuneration system and the rules and regulations of the Management Board employment contracts valid in the financial year 2021, all 3U HOLDING AG Management Board members receive a fixed annual salary paid out in monthly instalments. In addition, all members of the Management Board receive a variable performance-related remuneration component. The performance-related remuneration consists of a quantitative target and a qualitative target. Quantitative target attainment is assessed by the Supervisory Board in the reporting year primarily on the basis of the audited figure for EBIT or the EBT performance of the company measured against the budgeted figure; exceptional developments may also be taken into account. Qualitative target attainment is assessed by the Supervisory Board based on the Management Board performing prioritised tasks and the achievement of personal goals set by the Supervisory Board for members of the Management Board. At the start of a financial year, the Supervisory Board defines targets, factoring in the Group's situation.

In addition, Management Board members may also be granted share options under share option plans. The purpose of granting share options is to reward the contribution of the Management Board (and also the other employees of the 3U Group) to raising the enterprise value and to promoting the company's long-term success.

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. Sustainability takes special account of the stability of the Group's development and the structure of its holdings. The Supervisory Board assesses sustainability in the two financial years following the respective financial year and will reclaim the partial amounts of the performance-related remuneration paid subject to reservation if sustainability in managing the company has not been ensured.

Within the meaning of Section 87 (2) sentence 1 of the German Stock Corporation Act, the Supervisory Board is entitled to reduce the remuneration paid to the Management Board to an appropriate amount if the situation of the company deteriorates after these amounts have been fixed and if continuing to grant the agreed amounts would be unreasonable for the company. This also applies to the granting of any share options.

If the appointment of a Management Board member is rescinded over the course of a financial year for good cause pursuant to Section 84 (3) of the German Stock Corporation Act, there is no entitlement to performance-related remuneration for the respective financial year, nor for any further financial years until the termination of the Management Board member's employment contract.

No pension commitments have been given to the Management Board members.

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) in the version effective as of 20 March 2020. The aim is to offer 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 German Stock Corporation Act (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 the spokesman of the Management Board is capped at kEUR 650 and at kEUR 350 for each regular member of the Management Board.

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 subsidiaries weclapp SE, Frankfurt am Main and 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 weclapp SE, the special bonus has been set at kEUR 250, provided that weclapp SE's market capitalisation upon flotation (closing price on the first day of trading) amounts to between EUR 150 and 300 million, and at kEUR 500 if market capitalisation exceeds EUR 300 million. If market capitalisation is below EUR 150, no special bonus is owed.
- In the event of a successful IPO of weclapp SE and the associated special bonus, the remuneration of the Management Board's spokesman is capped at kEUR 1,150 and that of the other Management Board members at kEUR 850.
- In the event of a successful listing of Selfio GmbH, the special bonus has been set at kEUR 250, provided that subsidiary's market capitalisation upon flotation (closing price on the first day of trading) amounts to between EUR 100 and 200 million, and at kEUR 500 if market capitalisation exceeds EUR 200 million. If market capitalisation is below EUR 100, no special bonus is owed.
- In the event of a successful IPO of Selfio GmbH and the associated special bonus, the remuneration of the Management Board's spokesman is capped at kEUR 1,150 and that of the other Management Board members at kEUR 850.

The special bonus will be granted accordingly if the respective subsidiary 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 respective subsidiary/subsidiaries; this is then taken as a basis for calculating the special bonus to be paid.

When indicating the maximum remuneration, including payment of any special bonus for a successful IPO, the assumption is that the two flotations do not take place within one financial year. If the two IPOs are to take place in one financial year, the maximum remuneration of Management Board members will increase accordingly given the different payment conditions (Management Board spokesman: kEUR 1,650; other Management Board members: kEUR 1,350).

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 (together 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 the its shareholders.

At this juncture, a differentiated treatment is applied to members of the Management Board for reason of the fact that the Management Board spokesman is, at the same time, a major shareholder of the company and distinguishing between STI and LTI would not contribute to greater incentivisation. The Supervisory Board reserves the right to adjust this arrangement to changing conditions (e.g., disposal of large blocks of shares) in the future.

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 German Stock Corporation Act (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”). In the case of the Management Board spokesman, this differentiation is waived in favour of STI as the spokesman already holds a major share package in 3U HOLDING AG.

The essential components of remuneration are provided for as follows:

Fixed remuneration components

- Fixed annual salary:
- kEUR 300 for the spokesman of the Management Board,
- kEUR 200 for the other members of the Management Board / basic salary (payment in twelve monthly instalments)
- Fringe benefits (as described under Section 2.2)

Variable remuneration components

- STI:
 - kEUR 300 for the spokesman of the Management Board,
 - kEUR 45 for the other members of the Management Board
- (based on 100 % achievement of the individually agreed quantitative and qualitative targets)

- LTI:
- kEUR 0 for the spokesman of the Management Board,
- kEUR 55 in virtual shares for the other members of the Management Board

MAXIMUM REMUNERATION

- kEUR 650 for the spokesman of the Management Board
- kEUR 350 for the other members of the Management Board

Taking account of special bonus payments in the event of the aforementioned IPOs, maximum remuneration amounts to kEUR 1,150 for the spokesman of the Management Board and kEUR 850 for the other Management Board members. The assumption here is that the two flotations will not take place within the space of one financial year. If the two IPOs are to take place in one financial year, the maximum remuneration of Management Board members will increase accordingly given the different payment conditions (Management Board spokesman: kEUR 1,650; other Management Board members: kEUR 1,350).

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 the total remuneration amounts to between approx. 54 % (Management Board spokesman) and approx. 71 % (other Management Board members). The share of fringe benefits (maximum) amounts to around 8 % (Management Board spokesman) and to around 14 % (other Management Board members). The proportion of STI in total remuneration comes to between 0 % and roughly 46 % ((Management Board spokesman) and to roughly between 0 % and 13 % (other Board Management members), and the proportion of LTI to between 0 % (Management Board spokesman) and between 0 % and approx. 16 % (other Management Board members) of total remuneration.

The aforementioned cap of 100 % applicable to fixed remuneration components and 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' share definitive for the LTI, 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, in particular, a company car or equivalent, 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 spokesman of the Management Board receives a monthly contribution of EUR 448.87 to a pension scheme and of EUR 477.93 to a health insurance. The contributions for the other 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 ceiling. 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 EBIT performance of the 3U Group 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 EBT performance of the 3U Group 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 – with the exception of the Management Board spokesman (see above) – 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 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. Aligning the interests and providing incentive via the LTI for sustainably raising the company's term value is unnecessary in the case of the Management Board's spokesman as he already holds a major block of shares in 3U HOLDING AG.

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 no. 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 German Stock Corporation Act (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. Any clawback claims against the Management Board spokesman are calculated on the basis of 50 % of the (short-term) variable remuneration for a maximum period of four years prior to the occurrence of the reason for repayment.

VI. Share-based remuneration (Section 87a (1) s. 2 item 7 German Stock Corporation Act (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) Sentence 2 item 7 AktG. With regard to further details required, reference is made to the explanations under Section III.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 (§ 87a (1) s. 2 item 8 a) AktG)

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

The employment contracts of Management Board members are concluded for a term of five years.

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 Management Board member remuneration, also by drawing comparisons with the remuneration structure within the company ("vertical comparison"). 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 87a (1) s. 2 item 10 German Stock Corporation Act (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. In addition, the amount and structure of remuneration is compared against a peer group defined by the Supervisory Board. This peer group generally consists of listed companies (holding/investment companies), i.e. those which occupy a comparable market position. 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.

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 if necessary 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 2021

Disclosure of all fixed and variable remuneration components as well as their respective relative share

Remuneration of the members of the Management Board (in kEUR)	Michael Schmidt Spokesman of the Management Board		Andreas Odenbreit Management Board		Christoph Hellrung Management Board (until 31/10/2021)		Uwe Knoke Management Board (since 1/11/2021)	
	2021	2020	2021	2020	2021	2020	2021	2020
Maximum remuneration	–	–	–	–	–	–	350	–
Fixed remuneration	300	300	150	150	125	150	25	–
Fringe benefits	36	36	15	18	99	28	3	–
Subtotal	336	336	165	168	224	178	28	–
One-year variable remuneration	276	284	46	47	38	47	7	–
Multi-year variable remuneration	0	0	0	0	0	0	9	–
Total remuneration	612	620	211	215	262	225	44	–
Share of fixed remuneration	54.9 %	54.2 %	78.2 %	78.1 %	85.5 %	79.1 %	63.6 %	–
Share of variable remuneration	45.1 %	45.8 %	21.8 %	21.9 %	14.5 %	20.9 %	36.4 %	–

In addition, Mr. Andreas Odenbreit received kEUR 47 for the previous year (2020) and Mr. Christoph Hellrung kEUR 47 in the reporting year (2021) and each received kEUR 50 in the previous year (2020) for the year 2019 as one-year variable remuneration. In the reporting year (2021), Mr. Michael Schmidt received kEUR 209 for the previous year (2020) as one-year variable remuneration and, in the previous year (2020), kEUR 25 for the year 2019.

In the reporting year (2021), Mr. Christoph Hellrung received a one-off special payment of kEUR 75 for his willingness to switch to the position of a member of subsidiary weclapp SE's Management Board. This amount is included in the fringe benefits of kEUR 99 shown in the table above.

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.

All remuneration for Management Board activities originates from 3U HOLDING AG. The subsidiaries have not paid any emoluments to the members of the Management Board. In the period up until 31 October 2021, Mr. Uwe Knoke received a remuneration of kEUR 215 as managing director of 3U TELECOM GmbH.

The remuneration paid corresponds fully to the key features of the remuneration systems implemented. As described above, the resolution of the Annual General Meeting pursuant to Section 120a (4) AktG was applied to the Management Board contract of employment newly signed with Management Board member Uwe Knoke; the remuneration rules of the 2010 remuneration system still applied to all other Management Board members under the currently valid Management Board employment contracts. There were no divergences from the remuneration systems applied respectively.

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.

Maximum remuneration was not reached for any of the Management Board members.

The Supervisory Board does not see any occasion to avail itself 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.

The performance criteria were applied as follows:

Application of the performance criteria	Target attainment of the Management Board for variable remuneration	Share in % 2021
Quantitative targets (in %)		
	Adherence to budget	77.6
	Operating result	100
Qualitative targets (in %)		
Michael Schmidt	Fulfilment of priority tasks	100
Michael Schmidt	Fulfilment of personal targets	100
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 based on full-time equivalents over the last five years:

Vertical comparison of Management Board remuneration (respectively year-on-year change in %)	2018	2019	2020	2021
Development of Management Board remuneration	2.93 %	-0.95 %	2.47 %	9.38 %
Earnings trend of the Group – EBIT	-9.50 %	103.25 %	8.06 %	13.80 %
Earnings trend of the Group – EBT	-3.63 %	153.68 %	13.18 %	19.49 %
Average employee remuneration	-2.77 %	4.85 %	3.23 %	3.48 %

The Group of 3U HOLDING AG has a flat management structure. In the group of employees which form the basis for the calculation of full time equivalents 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.

Share option plan 2018

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. The Management Board exercised this authorisation on 6 December 2018 and, with the approval of the Supervisory Board, set up share option plan 2018.

Information on share options as of 31 December 2021 in units:

Name	Function	Share options
Michael Schmidt	Spokesman of the Management Board	166,666 units
Uwe Knoke	Management Board	100,000 units
Andreas Odenbreit	Management Board	166,666 units

Until 31 October 2021, Mr. Christoph Hellrung still held the position of member of 3U HOLDING AG's Management Board. After switching to the position of Chief Financial Officer of subsidiary weclapp SE, he will still retain the 166,666 share options allocated to him under the share option plan 2018. These options have not expired.

No share options were allocated to Management Board member Uwe Knoke when he took up office on 1 November 2021. The 100,000 share options in his portfolio originate from his activity as managing director of several of 3U HOLDING AG's subsidiaries.

Share options can only be exercised after the expiration of defined lock-up periods (vesting period). 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.

All remuneration for Management Board activities at 3U HOLDING AG was paid by 3U HOLDING AG. The subsidiaries did not pay any remuneration. 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. It was supplemented pursuant to a Supervisory Board resolution of 26 March 2021 and submitted to the Annual General Meeting which gave its approval to the remuneration system and to the associated amendment to the Articles of Association, with each motion passed by majorities of more than 69 % of the votes cast. 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 EUR 50,000.00 for the Chairman, EUR 37,500.00 for the Deputy Chairman, and EUR 25,000.00 for the other members of the Supervisory Board. Given that the Chairman of the Supervisory Board receives double and the Deputy Chairman one and a half times the basic remuneration of EUR 5,000 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 EUR 1,000.00 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 1,000.00 per EUR 100,000.00 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.

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.

As a result, the Supervisory Board members will receive a one-off special bonus (“special bonus”) if weclapp SE (“weclapp”) and/or companies engaged in e-commerce affiliated with the company within the scope of the Group, in particular Selfio GmbH (e-com-

merce companies 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 will amount to kEUR 100 respectively provided that weclapp’s market capitalisation upon flotation (closing price on the first trading day) amounts to between EUR 150 million and EUR 300 million and/or the market capitalisation of Selfio upon flotation (closing price on the first trading day) amounts to between EUR 100 million and EUR 200 million; if, upon flotation, weclapp’s market capitalisation exceeds EUR 300 million and/or the market capitalisation of Selfio exceeds EUR 200, the special bonus will amount to kEUR 200 respectively. If market capitalisation drops below EUR 150 million (weclapp) and below EUR 100 million (Selfio), 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 within the scope 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.

Special bonuses were not owed in the financial year 2021.

In addition, irrespective of the maximum remuneration, each member of the Supervisory Board receives an attendance fee of EUR 2,500.00 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.

Supervisory Board remuneration for 2021 amounted to kEUR 158 (previous year: kEUR 165). A performance-related remuneration of kEUR 90 was accrued for 2021 (previous year: kEUR 90).

Name	Fixed remuneration in kEUR		Performance related remuneration in kEUR		Attendance-fee in kEUR		Total remuneration in kEUR	
	2021	2020	2021	2020	2021	2020	2021	2020
Ralf Thoenes (Chairman)	10	10	40	40	15	18	65	68
Stefan Thies (Deputy Chairman)	8	8	30	30	15	18	53	55
Jürgen Beck-Bazlen	5	5	20	20	15	18	40	43
Total*	23	23	90	90	45	53	158	165

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

In addition, Supervisory Board members are reimbursed for their travel expenses and other outlays. In the financial year 2021, Mr. Thoenes received reimbursement of his expenses an amount of kEUR 0.1 (previous year: kEUR 1.2). Mr. Thies (previous year: kEUR 0.1) and Mr. Beck-Bazlen (previous year: kEUR 0.1) did not receive any reimbursements. Mr. Thoenes also received attendance fees and reimbursement of expenses amounting to kEUR 20 for his Supervisory Board activity at weclapp SE in the financial year 2021 (previous year: kEUR 0), and at 3U ENERGY AG in an amount of kEUR 0 (previous year: kEUR 6). Mr. Thies also received atten-

dance fees and reimbursement of expenses amounting to kEUR 13 for his Supervisory Board activity at weclapp SE in the financial year 2021 (previous year: kEUR 0).

The members of the Supervisory Board do not receive any share-based remuneration components.

The Altenburger Rechtsanwälte law firm, whose partner Mr. Ralf Thoenes is Chairman of the Supervisory Board, did not receive any payments and expenses reimbursement for its consulting service for the 3U Group over the past financial year (previous year: kEUR 11.6, plus value added tax). In the previous year, 3U HOLDING AG was provided with services.

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 share option plan 2018.

2018 share option plan

The share option plan 2018 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 of the German Stock Corporation Act (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 at the first management level below the management and other employees of German and international affiliated companies (Section 15 AktG)

A total of 2,771,998 share options were issued under the share option plan 2018 as of 31 December 2021. 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 share option plan 2018 may be exercised within eight years from the date of the issue of the option after a four-year vesting period, starting with the 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 of a quarter and the day of the subsequent announcement of the (preliminary) quarterly results, 1 January of each year and the day of the subsequent announcement of the (preliminary) annual results, or 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.

Of the 2,771,998 share options issued under this program up until 31 December 2020, 606,000 share options had expired as of the balance sheet date (31 December 2021).

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

112 Disclosures required by takeover law

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

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 of the German Stock Corporation Act. However, in accordance with Article 13 (2) of the Articles of Association in conjunction with Section 179 (2) sentence 2 of the German Stock Corporation Act, 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 the German Stock Corporation Act also requires a majority of the share capital represented at the time of the resolution, a simple majority of the capital represented is sufficient, to the extent permitted by law.

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

The share capital consists of 35,314,016 no-par value bearer shares. All shares grant the same rights. Each share confers one vote and is decisive for the share in the profit. The rights and obligations arising from the shares are based on the statutory provisions.

For more detailed information, please refer to the notes to the annual financial statements (Note 6.7). Michael Schmidt, spokesman of the Management Board, holds 25.49 % of the shares in the company.

Other holders of shareholdings in excess of 10 % of the shares in the company are not known.

Pursuant to Article 3 (4) of the Articles of Association, 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 22 May 2024 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. With the approval of the Supervisory Board, the Management Board may exclude the subscription right of the shareholders in whole or in part only in the following cases:

1. 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;
2. 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;
3. for fractional amounts;
4. 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, is not significantly less than the stock market price of the shares already listed of the same class and terms of issue at the time when the final issue price is determined by the Management Board and the share in share capital of the new shares for which subscription rights are excluded does not exceed 10 % of the existing share capital on the date of issue of the new shares.

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.

Pursuant to Article 3 (5) of the Articles of Association, 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 2016/I). 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. 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.

No agreements in the event of a takeover offer

In the event of a takeover offer for 3U HOLDING AG, no agreements exist for members of the Management Board.

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. No transactions in these dimensions were reported to 3U HOLDING AG in the financial year now ended.

Disclosure of securities transactions

In so far 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.

Corporate governance statement (Section 289f and Section 315d 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.

Assurance by the legal representatives

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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 condensed 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, 6 April 2022

The Management Board

A blue ink signature, appearing to be 'MS', written in a cursive style.

Michael Schmidt

A blue ink signature, appearing to be 'UK', written in a cursive style.

Uwe Knoke

A blue ink signature, appearing to be 'AO', written in a cursive style.

Andreas Odenbreit



Consolidated Financial Statements for the Financial Year 2021

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Consolidated statement of financial position

Assets 3U Group (in kEUR)	Notes to the consolidated financial statements [Note]	31/12/2021	31/12/2020
Non-current assets		69,852	39,203
Intangible assets	[2.3.7] [2.3.8] [2.3.15] [6.1.1]	30,579	2,392
Property, plant and equipment	[2.3.9] [2.3.23] [6.1.2]	33,546	32,259
Rights of use	[2.3.10] [2.3.14] [6.1.3]	3,681	2,486
Investment property	[2.3.11] [6.1.4]	0	0
Other financial assets	[6.1.5]	93	91
Investments accounted for using the equity method	[6.1.5]	0	14
Deferred tax assets	[2.3.18] [6.2]	1,808	1,855
Other non-current assets	[6.1.5]	145	106
Current assets		49,195	43,529
Inventories	[2.3.16] [6.3]	13,585	8,570
Trade receivables	[2.3.13] [6.4] [6.12]	16,049	3,799
Income tax receivables	[6.5]	1,030	214
Other current assets	[6.5]	5,816	4,525
Cash and cash equivalents	[2.3.13] [6.6] [6.12]	12,715	26,421
Assets held for sale		0	3,163
Total assets		119,047	85,895

Shareholders' equity and liabilities 3U Group (in kEUR)	Notes to the consolidated financial statements [Note]	31/12/2021	31/12/2020
Shareholders' equity	[6.8]	62,112	51,998
Subscribed capital (Conditional Capital kEUR 3,531 / 31 December 2020: kEUR 3,531)	[6.8.1]	35,314	35,314
Treasury shares	[2.3.20] [6.8.1]	0	0
Capital reserve		14,821	11,887
Retained earnings		-849	-862
Other comprehensive income		0	0
Profit/loss carried forward		3,044	1,543
Net income		2,917	3,267
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		55,247	51,149
Non-controlling interests	[6.8.4]	6,865	849
Non-current liabilities		41,945	21,878
Non-current provisions	[2.3.17] [6.11]	1,281	1,303
Non-current financial liabilities	[6.9]	29,261	15,398
Non-current lease liabilities	[2.3.14] [6.1.3]	3,184	2,279
Deferred tax liabilities	[2.3.18] [6.2]	4,315	888
Other non-current liabilities	[6.9]	3,904	2,010
Current liabilities		14,990	12,019
Current provisions	[2.3.17] [6.11]	407	343
Current income tax liabilities	[6.10]	595	938
Current financial liabilities	[6.9]	1,614	1,701
Current lease liabilities	[2.3.14] [6.1.3]	975	764
Trade payables	[2.3.13] [6.12]	3,884	3,172
Other current liabilities	[2.3.13] [2.3.19] [6.10] [6.12]	7,515	5,101
Total shareholders' equity and liabilities		119,047	85,895

Consolidated statement of income

3U Group (in kEUR)	Notes to the consolidated financial statements [Note]	Financial year 01/01–31/12	
		2021	2020
Revenue	[2.3.1] [5.1]	55,943	61,052
Other income	[5.2]	6,857	5,337
Changes in inventories of finished services and work in progress	[5.3]	1,953	-423
Other capitalised services	[5.4]	760	202
Cost of materials	[5.5]	-29,286	-33,195
Gross profit/loss		36,227	32,973
Staff costs	[5.6]	-14,980	-13,102
Other operating expenses	[5.7]	-9,982	-8,321
EBITDA		11,265	11,550
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-4,504	-5,609
EBIT		6,761	5,941
Shares in profit/loss of companies accounted for using the equity method	[5.9]	0	1
Other financial result	[2.3.4] [2.3.5] [5.9]	-472	-679
EBT		6,289	5,263
Income taxes	[2.3.6] [5.10]	-2,247	-1,300
Earnings before non-controlling interests		4,042	3,963
Net profit/loss for the period		4,042	3,963
Of which attributable to non-controlling interests		1,125	696
Of which consolidated net income		2,917	3,267
Earnings per share, undiluted (in EUR)	[2.2.5] [5.11]	0.08	0.09
Earnings per share, diluted (in EUR)	[2.2.5] [5.11]	0.08	0.09

Consolidated statement of comprehensive income

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3U Group (in kEUR)	01/01-31/12	
	2021	2020
Net income for the period	4,042	3,963
Of which attributable to 3U HOLDING AG shareholders	2,917	3,267
Of which attributable to non-controlling interests	1,125	696
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	4,042	3,963
Of which attributable to 3U HOLDING AG shareholders	2,917	3,267
Of which attributable to non-controlling interests	1,125	696

Consolidated statement of changes in equity

3U Group (in kEUR)	Subscribed capital	Treasury shares	Capital reserve	Retained earnings/ profit/loss carried forward and net income for the period attributable to 3U HOLDING AG shareholders
Notes to the consolidated financial statements [Note 6.7.1 and 6.7.4]				
As of 1 January 2020	35,314	-1,184	11,014	2,064
Dividend payment for the 2019 financial year	0	0	0	-1,365
Net income 2020	0	0	0	3,267
Other income 2020	0	0	0	0
Share option plan 2018	0	0	67	0
Proceeds from sale of treasury shares	0	1,184	806	0
Contributions from/disbursements to non-controlling interests	0	0	0	0
Changes in the consolidation scope	0	0	0	-18
As of 31 December 2020	35,314	0	11,887	3,948

3U Group (in kEUR)	Subscribed capital	Treasury shares	Capital reserve	Retained earnings/ profit/loss carried forward and net income for the period attributable to 3U HOLDING AG shareholders
Notes to the consolidated financial statements [Note 6.7.1 and 6.7.4]				
As of 1 January 2021	35,314	0	11,887	3,948
Dividend payment for the 2020 financial year	0	0	0	-1,766
Net income 2021	0	0	0	2,917
Share option plans	0	0	96	0
Contributions from/disbursements to non-controlling interests	0	0	0	0
Changes in the consolidation scope	0	0	2,838	13
As of 31 December 2021	35,314	0	14,821	5,112

Other comprehensive income		Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	Total shareholders' equity
Exchange rate differences	Hedging instruments			
0	0	47,208	-696	46,512
0	0	-1,365	0	-1,365
0	0	3,267	696	3,963
0	0	0	0	0
0	0	67	0	67
0	0	1,990	0	1,990
0	0	0	-549	-549
0	0	-18	1,398	1,380
0	0	51,149	849	51,998

Other comprehensive income		Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	Total shareholders' equity
Exchange rate differences	Hedging instruments			
0	0	51,149	849	51,998
0	0	-1,766	0	-1,766
0	0	2,917	1,125	4,042
0	0	96	12	108
0	0	0	-266	-266
0	0	2,851	5,145	7,996
0	0	55,247	6,865	62,112

Consolidated statement of cash flows

3U Group (in kEUR)	Notes to the consolidated financial statements [Note 2.2.3 and 7]	01/01-31/12	
		2021	2020
Net income		4,042	3,963
+/- Write-downs/write-ups of fixed assets		4,504	5,609
+/- Increase/decrease in provisions		19	41
-/+ Profit/loss from the disposal of non-current assets		-1,874	-3,618
-/+ Increase/decrease in inventories and trade receivables		-17,078	-2,158
+/- Increase/decrease in trade payables		679	523
+/- Changes other receivables		-1,247	-2,346
+/- Changes to other payables		1,432	2,546
+/- Change in tax assets/liabilities including deferred taxes		18	69
+/- Other non-cash changes		46	149
Cash flow from operating activities		-9,459	4,778
+ Cash inflow from disposals of property, plant and equipment		5,104	6
- Cash outflow for investments in property, plant and equipment		-4,360	-9,907
- Cash outflow for investments in intangible assets		-1,277	-466
+ Cash inflow from disposals of investments property		0	708
+ Cash inflow from disposals of financial assets		13	0
+ Cash inflow from the sale of consolidated companies and other business units		0	4,907
- Cash outflow from the acquisition of consolidated companies and other business units		-13,237	0
Cash flow from investing activities		-13,757	-4,752
Amount carried forward*		-23,216	26

*Refer to following page

3U Group (in kEUR)	Notes to the consolidated financial statements [Note 2.2.3 and 7]	01/01-31/12	
		2021	2020
Amount carried forward*		-23,216	26
+ Cash inflow from additions to equity (capital increases, sale of treasury shares etc.)		0	1,990
- Cash outflow to companies' owners and minority partners (dividend, equity capital payback, purchase of treasury shares, other disbursements)		-2,032	-1,958
+ Inflow from the taking up of financial loans		14,950	8,151
- Disbursements from the repayment of bonds and (financial) loans		-2,740	-1,704
- Disbursements from the repayment of leasing liabilities		-951	-1,176
Cash flow from financing activities		9,227	5,303
Total cash flow		-13,989	5,329
+/- Change in disposal restrictions on cash and cash equivalents		-2,294	285
+/- Changes in cash and cash equivalents due to consolidation effects		283	541
Cash and cash equivalents at the beginning of period		23,617	17,462
Cash and cash equivalents at the end of period		7,617	23,617
Total change in cash and cash equivalents		-16,000	6,155

*Refer to 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. The company has been entered into the commercial register of the Local Court of Frankfurt am Main 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.

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 2021 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 2021 were observed and the interpretations of the International Financial Reporting Committee (IFRIC) 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 German Federal Gazette.

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 amounting to +/- one unit (kEUR, % etc.) may occur.

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 2021 and adopted into EU law.

The following standards were applied for the first time:

- Amendments to IFRS 4: "Insurance Contracts – Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts" (1 January 2021)*
- amendments to IFRS 9, IFRS 39, IFRS 7 and IFRS 4: "Interest Rate Benchmark Reform (Phase 2)" (1 January 2021)*
- Amendments to IFRS 16: "Leases for COVID-19 Related Rent Concessions after 30 June 2021" (1 January 2021)*

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

According to the assessment of the Management Board, the initial application of further 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 IFRS 3: "Business Combinations – Reference to the Conceptual Framework" (1 January 2022)*
- Amendments to IAS 16: "Property, Plant and Equipment – Proceeds before Intended Use" (1 January 2022)*
- Amendments to IAS 37: "Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract" (1 January 2022)*
- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41: "Annual Improvements Process (Cycle 2018-2020)" (1 January 2022)
- Amendments to IFRS 17: "Insurance Contracts" (1 January 2023)*

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

- Amendments to IAS 1: "Presentation of Financial Statements – Classification of Liabilities as Current or Non-current" (1 January 2023)*
- Amendments to IAS 1; IFRS Practice Statement 2: "Disclosures on Accounting Policies" (1 January 2023)*
- Amendments to IAS 8: "Definition of Accounting Estimates" (1 January 2023)*
- Amendments to IAS 12: "Deferred taxes – Additional Exception to Initial Recognition Exemption" (1 January 2023)*
- Further amendments to IFRS 17: "Insurance Contracts" (1 January 2023)*

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 from IFRS 17, IFRS 3, IAS 16, IAS 37, IFRS 1, IFRS 9, IFRS 16 and IAS 41.

* 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 the financial year 2021, the scope of consolidation for 3U HOLDING AG consisted of 28 (previous year: 26) 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 company. Domination by 3U HOLDING AG exists pursuant to IFRS 10 if the following conditions are cumulatively met:

- 3U HOLDING AG exerts power 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.

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 non-controlling interests 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 non-controlling interests 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.

IFRS 11 makes a fundamental distinction between two types of joint arrangements:

- joint operation;
- joint venture.

A joint venture is a joint arrangement whereby the parties exercise joint control and have rights to the net assets of the investee.

A joint venture is when two or more companies enter into an agreement under which they have direct rights to the assets and to the obligations arising from the liabilities.

Investments in joint ventures are accounted for using the equity method in accordance with IAS 28.

An associated company is a company over which the Group can exercise significant influence by participating in its financial and operating policy decision-making processes and which is neither a subsidiary nor a joint venture of the Group.

The earnings of associated companies are included in accordance with the equity method pursuant to IAS 28.

Shares in joint ventures and associated companies are posted on the balance sheet at historical cost, adapted in line with any changes in the Group share in the net assets of the joint venture or associated company following the acquisition and reduced to reflect the decline in value of the individual shares. If the amount of losses of a joint venture or an associated company corresponds or surpasses the value of the full book value of equity held in the respective company, 3U does not record further losses unless 3U has entered into respective obligations.

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 2021 and 2020. 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.

The exchange rates for foreign currencies are as follows:

	Exchange rate on the reporting date (EUR 1 in foreign currency units)		Average rate for the year (EUR 1 in foreign currency units)	
	2021	2020	2021	2020
Currency USD	1.1326	1.2271	1.1827	1.1422

As in the previous year, no notable expenses and gains resulted on balance from exchange rate fluctuations due to foreign currency transactions in the 2021 financial year. Recognition in the income statement is included in other operating income or expenses.

2.2.3 Consolidated statement of cash flows

The cash flow statement 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), investing activities and 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 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 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

Undiluted 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 principles

2.3.1 Basic principles of sales recognition

Revenue comprises all revenues resulting from the 3U Group's ordinary business activities. Revenue is reported net of VAT and after deduction of discounts granted. It is recorded in accordance with the provision of service. In the process, a distinction is made between time and performance obligations.

Revenues in the ITC segment result 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. This segment also includes 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 revenues were generated through planning and developing projects in the area of renewable energies, as well as through producing electricity with the segment's own plants.

Revenues in the SHAC segment are generated from marketing products from the sanitary, heating and air conditioning technology and installing components for building air conditioning.

Revenues within Other Activities/Consolidation are also derived from the rental of real estate.

Revenues from time-related obligations are 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.

Revenues from construction contracts 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 "Contract liabilities". If prepayments exceed the cumulative benefit, they are reported on the liabilities side of the balance sheet under 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 costs

The 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 insignificant. Development expenses incurred with standard-based customised development projects (in respect of which the IAS 38 criteria are cumulatively fulfilled) are capi-

talised to a certain limited extent and written down over the estimated useful life. Development costs of EUR 0.4 million (previous year: EUR 0.2 million) were capitalised in the financial year 2021 (cf. Note 6.1.1). The 3U Group's research and development costs amounted to EUR 3.1 million in the financial year 2021 (previous year: EUR 1.8 million) in the financial year 2021.

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. Interest expense of EUR 0.14 million (previous year: EUR 0.02 million) was capitalised in the 2021 financial year.

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 outflows over the term of the financial liabilities to 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 probable that the use of the asset will result in a future economic benefit and the costs of the asset can be reliably determined. Intangible assets are measured at cost

less scheduled straight-line depreciation and impairment losses. Scheduled depreciation is reported under the depreciation and amortisation item.

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

Rights to use the land on which plants were built to produce renewable energies are amortised over the contractually agreed period of use.

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 original acquisition or production cost of property, plant and equipment includes the purchase price plus additional acquisition costs and subsequent acquisition costs, as well as the present value of restoration obligations. Financing costs pursuant to IAS 23 are included in the cost of assets.

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 is 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 certain tangible assets are material in relation to the overall acquisition and production costs, 3U assesses those components separately and writes them off.

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. These relate to rights of use to land and buildings amounting to kEUR 3,310 (previous year: kEUR 2,173) and rights of use to other equipment, furniture and fixtures amounting to kEUR 371 (previous year: kEUR 312).

The right of use is amortised on a scheduled basis over its 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 2021.

Reference is made to the explanations in 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.

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

Buildings	25-40 years
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No scheduled depreciation is applied to land and leasehold rights.

Reference is made to the explanations in Note 2.3.15.

2.3.12 Borrowing costs

Reference is made to Note 2.3.5.

2.3.13 Financial instruments

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, the financial instrument, when recognised as of the settlement date, 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 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 the 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 which may give rise to 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 is recorded in the income statement under cost of sales. 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 present point in 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 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 leasing 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 of a cash-generating unit to which goodwill was allocated is associated with estimations by management. The company determines these figures using valuation methods based on discounted cash flows. These discounted cash flows are based on three-year forecasts which build on financial plans approved by management. The cash flow forecasts take account of past experience and are based on management's best estimations of future developments. Cash flows beyond the planning period are extrapolated without growth rates. Income and expenses resulting from expansion investments were not considered in this case.

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 production of wind energy.

Goodwill was determined in the context of business combinations with ITscope GmbH and FinanzGeek GmbH in the financial year 2021.

The company's property, plant and equipment and other intangible assets are subject to an impairment test at least 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 impact 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, 606,000 of which had expired as of the end of the reporting period. The option rights may be exercised after a lock-up period of four years within eight years, beginning on the date of the issuance. As of 31 December 2021, the share price (base value of the option) stood at EUR 3.95 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.

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.

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 received 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 %
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 %
3U TELECOM GmbH	Vienna	Austria	100 %
Calefa GmbH	Koblenz	Germany	75 %
Discount Telecom S&V GmbH	Marburg	Germany	100 %
Exacor GmbH	Marburg	Germany	100 %
FinanzGeek GmbH	Worms	Germany	70.9524 %
fon4U Telecom GmbH	Marburg	Germany	100 %
Immowerker GmbH**	Marburg	Germany	100 %
InnoHubs GmbH	Würzburg	Germany	75 %
ITscope GmbH	Karlsruhe	Germany	70.9524 %
LineCall Telecom GmbH	Marburg	Germany	100 %
OneTel Telecommunication GmbH	Marburg	Germany	100 %
PELIA Gebäudesysteme GmbH	Koblenz	Germany	100 %
Repowering Sachsen-Anhalt GmbH	Marburg	Germany	99.998 %
RISIMA Consulting GmbH	Marburg	Germany	100 %
samoba GmbH**	Bad Honnef	Germany	70 %
Selfio GmbH	Bad Honnef	Germany	100 %
Solarpark Adelebsen GmbH**	Adelebsen	Germany	100 %
weclapp SE	Frankfurt am Main	Germany	70.9524 %
Windpark Klostermoor GmbH & Co. Betriebs-KG	Marburg	Germany	95.61 %
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	50.09 %

*3U HOLDING AG holds direct or indirect interests in these companies.

**There are restrictions on loan cancellations and/or distributions based on a letter of comfort or subordination agreement by the parent company or for reason of capital service provisions in loan agreements. Please refer to the explanations under Note 6.9.

Changes in the scope of consolidation

Compared with 31 December 2020, the following changes in the scope of consolidation took place:

Under a purchase agreement dated 21 January 2021, subsidiary PELIA Gebäudesysteme GmbH acquired another 15 % of the shares in Calefa GmbH, raising the 3U Group's stake in Calefa GmbH to 75 % of the shares. As before, the company is included as a fully consolidated company in the consolidated financial statements.

ITscope GmbH

Under the share purchase and transfer agreement of 8 July 2021, weclapp SE acquired 100 % of the shares in Karlsruhe-based ITscope GmbH. ITscope GmbH operates a B2B trading platform for IT goods and services. Securing external growth and synergy potential (in particular up-and cross-selling potential, along with personnel cost synergies) for the purpose of reinforcing weclapp SE's market position was the principle motivation behind the acquisition.

Lower-tier subsidiary ITscope GmbH was included in the scope of consolidation as of 30 September 2021. ITscope GmbH is a subsidiary of weclapp SE, and 3U HOLDING AG indirectly holds the majority of voting rights and the possibility of control.

The shares in ITscope were transferred in rem to weclapp SE through a transfer agreement separately notarised on 17 September 2021 by way of mixed contribution in kind. To this end, the Annual General Meeting of weclapp SE resolved a capital increase against contribution in kind, from EUR 70,120,000 to EUR 74,120,000 through issuing 4,000,000 new shares in a nominal value of EUR 1.00 per share with profit entitlement as from 1 January 2021.

The capital increase was entered into the commercial register of weclapp SE at the Local Court of Frankfurt am Main on 19 October 2021.

For reasons of materiality, the initial consolidation took place on 30 September 2021. The considerations transferred at the time of purchase (acquisition costs) included, alongside the shares from the capital increase, an additional cash payment of EUR 13.00 million that was remitted or paid when due in an amount of EUR 0.25 million. As part of the purchase price allocation, the acquisition costs were offset by the fair value of the assumed assets and liabilities amounting to EUR 3.35 million.

ITscope GmbH (in kEUR)	30/9/2021
Non-current assets	
Intangible assets	9,128
Property, plant and equipment	154
Rights of use	1,744
Other non-current assets	5
Current assets	
Trade receivables	187
Other current assets	104
Cash and cash equivalents	281
Assets	11,603
Non-current liabilities	
Non-current financial liabilities	1,358
Non-current lease liabilities	1,515
Deferred tax liabilities	2,308
Other non-current liabilities	1,265
Current liabilities	
Current financial liabilities	162
Current lease liabilities	237
Other current liabilities	1,408
Liabilities	8,253
Net assets	3,350

Goodwill of EUR 17.65 million was ascertained based on the difference between the net assets and the acquisition costs.

The fair value of the receivables acquired corresponds to the nominal value. At the time of purchase, there was a contingent purchase price liability resulting from the prior acquisition of a participating interest by IT scope GmbH.

At the time of purchase, there were no contractual cash flows likely to be uncollectible.

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

(In kEUR)	Revenue 2021	Revenue after initial consolidation	EBITDA 2021	EBITDA after initial consolidation
ITscope GmbH	4,436	988	1,227	370

FinanzGeek GmbH

On 7 October 2021, weclapp SE signed and completed a purchase and transfer agreement on the acquisition of 100 % of the shares in FinanzGeek GmbH. FinanzGeek GmbH's eponymous cloud-based Software-as-a-Service (SaaS) solution is on the verge of being launched on the market. Around 300 interested parties are currently using a free test version. The solution offers self-employed persons and micro-enterprises the significant advantages of a comprehensive corporate software, is geared to the requirements of this market segment, and can be deployed across all sectors. Expanding weclapp SE's product portfolio on the basis of FinanzGeek GmbH's platform solution for the purpose of reinforcing weclapp SE's market position was the principal motivation behind the acquisition.

For reasons of materiality, the initial consolidation took place on 1 October 2021. Exclusively a cash payment of EUR 0.49 million was formed part of the consideration transferred (acquisition costs) at the time of purchase.

As part of the purchase price allocation, the acquisition costs were offset by the fair value of the assumed assets and liabilities amounting to EUR 0.39 million.

FinanzGeek GmbH (in kEUR)	1/10/2021
Non-current assets	
Intangible assets	589
Current assets	
Other current assets	2
Cash and cash equivalents	2
Assets	593
Non-current liabilities	
Deferred tax liabilities	142
Current liabilities	
Current financial liabilities	46
Other current liabilities	16
Liabilities	204
Net assets	389

Goodwill of EUR 0.10 million was ascertained based on the difference between the net assets and the acquisition costs.

The fair value of the receivables acquired corresponds to the nominal value.

At the time of purchase, there were no contractual cash flows likely to be uncollectible.

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

(In kEUR)	Revenue 2021	Revenue after initial consolidation	EBITDA 2021	EBITDA after initial consolidation
FinanzGeek GmbH	2	2	-116	-77

As of 31 December 2021, 28 (31 December 2020: 26) 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 (31 December 2020: 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 essentially non-active companies. They are valued at acquisition cost less necessary value adjustments and reported under non-current assets.

Joint ventures

As of 31 December 2021, no joint ventures were included at equity in the consolidated financial statements.

In the financial year 2021, 50 % of the shares in Marburg-based Spider Telecom GmbH were sold, effective 1 January 2021, by way of notarised purchase agreement. As of 1 January 2021, the book value of the participating investment stood at EUR 12,500.00.

Reference is made to Note 6.1.5.

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 year 2021**
3U DYNAMICS GmbH	Marburg	Germany	100 %	EUR	41,037.54	-5,018.72
3U MOBILE GmbH	Marburg	Germany	100 %	EUR	4,698.49	-1,432.17
ACARA Verwaltung GmbH	Marburg	Germany	100 %	EUR	21,597.49	896.05
EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH	Marburg	Germany	100 %	EUR	55,171.77	-1,432.13
Märkische Windkraft 89 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-879.35	-601.47
Märkische Windkraft 112 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-13,575.63	-601.47
Windpark DBF GmbH	Marburg	Germany	100 %	EUR	1,325.26	-1,433.17
Windpark Bürgerenergie Ostprignitz-Ruppin 3 GmbH & Co. KG	Berlin	Germany	9.090 %	EUR	-5,458.73	-739.67
Windpark Bürgerenergie Teltow-Fläming 3 GmbH & Co. KG	Berlin	Germany	8.330 %	EUR	-5,649.22	-739.67
Windpark Havelland Projekt II GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-4,406.54	-564.00
Windpark Merzdorfer Heide I GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-9,769.71	-601.97
Windpark Merzdorfer Heide II GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-2,652.99	-601.47
Windpark Ruppin Projekt GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-2,532.81	-601.47
Windpark Ruppin Projekt 2 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-1,883.40	-601.47

* 3U HOLDING AG holds direct or indirect interests in these companies.

** Domestic – prior to profit transfer

4 Segment reporting

Segment reporting 2021 01/01-31/12/2021 (in kEUR)	ITC	Renew- able Energies	SHAC	Subtotal	Other activities	Reconcili- ation	Group
Third-party revenue	22,697	6,280	26,964	55,941	2	0	55,943
Revenue from other segments/business areas	1,282	10	0	1,292	1,620	-2,912	0
Intercompany revenue (intra-segment revenue)	1,679	224	15,965	17,868	16	-17,884	0
Total revenue	25,658	6,514	42,929	75,101	1,638	-20,796	55,943
Less intercompany revenue	-1,679	-224	-15,965	-17,868	-16	17,884	0
Segment revenue/Group revenue	23,979	6,290	26,964	57,233	1,622	-2,912	55,943
Other income	1,242	615	171	2,028	5,142	-313	6,857
Changes in inventory	-6	234	55	283	1,664	6	1,953
Other capitalised services	404	0	0	404	0	356	760
Cost of materials	-7,601	-306	-21,389	-29,296	-2	12	-29,286
Gross profit or loss	18,018	6,833	5,801	30,652	8,426	-2,851	36,227
Personnel expenses	-8,693	-177	-3,008	-11,878	-3,102	0	-14,980
Other operating expenses	-4,813	-2,027	-3,319	-10,159	-2,367	2,544	-9,982
EBITDA	4,512	4,629	-526	8,615	2,957	-307	11,265
Depreciation and amortisation	-1,131	-2,722	-523	-4,376	-498	370	-4,504
EBIT	3,381	1,907	-1,049	4,239	2,459	63	6,761
Financial result*	-46	-647	-173	-866	1,617	-1,223	-472
Profit/loss of companies recognised at equity**	0	0	0	0	0	0	0
Other financial result	-46	-647	-173	-866	1,617	-1,223	-472
Income tax	-327	-497	0	-824	-1,423	0	-2,247
Result for the period*	3,008	763	-1,222	2,549	2,653	-1,160	4,042
Of which attributable to non-controlling interests	302	107	-27	382	743	0	1,125
Segment result*/Group result	2,706	656	-1,195	2,167	1,910	-1,160	2,917

*Before profit transfer

**Following the sale of the shares in Spider Telecom GmbH in the first half of 2021, no companies reported at equity existed in the 3U Group.

Segment reporting 2020 01/01-31/12/2020 (in kEUR)	ITC	Renew- able Energies	SHAC	Subtotal	Other activities	Reconcili- ation	Group
Third-party revenue	18,234	9,126	33,135	60,495	557	0	61,052
Revenue from other segments/business areas	1,093	0	2	1,095	1,374	-2,469	0
Intercompany revenue (intra-segment revenue)	1,511	505	19,396	21,412	0	-21,412	0
Total revenue	20,838	9,631	52,533	83,002	1,931	-23,881	61,052
Less intercompany revenue	-1,511	-505	-19,396	-21,412	0	21,412	0
Segment revenue/Group revenue	19,327	9,126	33,137	61,590	1,931	-2,469	61,052
Other income	1,173	2,484	1,540	5,197	1,891	-1,751	5,337
Changes in inventory	-79	-364	-59	-502	0	79	-423
Other capitalised services	154	0	0	154	0	48	202
Cost of materials	-7,317	-141	-25,735	-33,193	-24	22	-33,195
Gross profit or loss	13,258	11,105	8,883	33,246	3,798	-4,071	32,973
Personnel expenses	-5,793	-234	-4,061	-10,088	-3,014	0	-13,102
Other operating expenses	-2,494	-2,075	-3,730	-8,299	-2,562	2,540	-8,321
EBITDA	4,971	8,796	1,092	14,859	-1,778	-1,531	11,550
Depreciation and amortisation	-849	-3,911	-401	-5,161	-528	80	-5,609
EBIT	4,122	4,885	691	9,698	-2,306	-1,451	5,941
Financial result*	-9	-1,051	-144	-1,204	1,945	-1,419	-678
Profit/loss of companies recognised at equity**	0	0	0	0	1	0	1
Other financial result	-9	-1,051	-144	-1,204	1,944	-1,419	-679
Income tax	-881	-331	-88	-1,300	0	0	-1,300
Result for the period*	3,232	3,503	459	7,194	-361	-2,870	3,963
Of which attributable to non-controlling interests	413	333	-39	707	-11	0	696
Segment result*/Group result	2,819	3,170	498	6,487	-350	-2,870	3,267

*Before profit transfer

**As of 31 December 2020, the carrying amounts of companies accounted for using the equity method amounted to kEUR 14 and were allocated to the area Other Activities.

In accordance with the regulations of 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 and Other Activities/Consolidation within its segment reporting.

The ITC segment comprises the activities Voice Retail, Voice Business and Data Center Services & Operation, as well as the development, distribution and operation of cloud-based CRM and ERP solutions and the trading of IT licences.

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, craftsmen 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 disclosed separately as reconciliation. Other Activities also include the building of an office property in Würzburg as part of a property development project.

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

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 2021 (in kEUR) 01/01-31/12/2021	ITC	Renew- able Energies	SHAC	Other Activi- ties/ reconci- liation	Group
Cash flow from operating activities	1,547	1,896	-2,237	-10,665	-9,459
Cash flow from investing activities	-14,449	0	-546	1,238	-13,757
Cash flow from financing activities	10,048	-3,946	1,195	1,930	9,227

Cash flow data 2020 (in kEUR) 01/01-31/12/2020	ITC	Renew- able Energies	SHAC	Other Activi- ties/ reconci- liation	Group
Cash flow from operating activities	5,820	5,343	1,489	-7,874	4,778
Cash flow from investing activities	-413	3,575	1,074	-8,988	-4,752
Cash flow from financing activities	-2,771	-7,536	-1,230	16,840	5,303

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

3U Group – Assets (in kEUR)	ITC	Renew-able Energies	SHAC	Other Activities/ reconcilia- tion	Total	Assets not allocated	Total consolidated assets
Assets as of 31/12/2021	43,756	23,372	16,582	22,622	106,332	12,715	119,047
Assets as of 31/12/2020	10,845	25,102	10,317	13,210	59,474	26,421	85,895

3U Group – Liabilities (in kEUR)	ITC	Renew-able Energies	SHAC	Other Activities/ reconcilia- tion	Total	Reconcilia- tion*	Total consolidated liabilities/ shareholder's equity
Liabilities as of 31/12/2021	30,143	31,070	16,458	-20,736	56,935	62,112	119,047
Liabilities as of 31/12/2020	8,849	34,955	11,631	-21,538	33,897	51,998	85,895

*Shareholder's equity/non-controlling interests

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 of kEUR 3 (previous year: kEUR 4) were located abroad in 2021.

(In kEUR)	Depreciation and amortisation		Investments	
	2021	2020	2021	2020
ITC	1,131	849	1,247	417
Renewable Energies	2,722	3,911	0	13
SHAC	523	401	563	245
Other Activities/reconciliation	128	448	3,850	9,698
Total	4,504	5,609	5,660	10,373

Revenue from core services

(In kEUR)	2021	2020
Areas within the ITC segment		
Voice retail	1,847	2,229
Voice business customer	7,261	7,188
Data center services & operation	1,942	1,747
IT services/Cloud applications	11,982	7,327
Consulting/IT security/trading in IT licences	947	837
Total ITC segment	23,979	19,328
Areas within the Renewable Energies segment		
Wind	4,485	7,081
Photovoltaic	1,782	2,032
Miscellaneous	23	13
Total Renewable Energies segment	6,290	9,126
Areas within the SHAC segment		
Sanitary, heating and air conditioning technologies	26,964	33,137
Total SHAC segment	26,964	33,137
Other Activities	1,622	1,931
Reconciliation	-2,912	-2,470
Total Group	55,943	61,052

The 3U Group achieved a share in revenue of kEUR 3,822 resp. 6.8 % (previous year: kEUR 4,002 resp. 6.6 %) with the largest customer in the ITC segment in the financial year ended.

Geographical distribution of revenues

(In kEUR)	2021	2020
ITC	23,980	19,328
Of which domestic	20,359	16,591
Of which foreign	3,621	2,736
Renewable Energies	6,290	9,126
Of which domestic	6,290	9,126
Of which foreign	0	0
SHAC	26,964	33,137
Of which domestic	24,485	30,358
Of which foreign	2,479	2,779

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 as follows:

(In kEUR)	2021	2020
Austria	2,531	2,281
Switzerland	867	1,179
Ireland	667	126
Belgium	327	255
Italy	178	177
France	161	208
Netherlands	142	522

5 Notes to the consolidated income statement

5.1 Revenues

Revenues 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.

In the Renewable Energies segment, income from energy generation and feed-in is recorded by billing after the respective service has been provided. Revenue generated from the planning and construction of systems for the generation of energy from renewable energy sources is also reported without value-added tax.

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.

Proceeds from the installation of heating and air conditioning systems were recognised in 2020 according to the stage of completion (cost-to-cost method) and reported as revenue net of sales tax. This pertains to revenue of kEUR 6,578 in 2020. Revenue in this volume was not generated in the financial year 2021. There were no construction contracts in the 3U Group as of 31 December 2021.

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

(In kEUR)	2021	2020
Services	12,035	12,005
Telecommunication services/DCS/Operation	11,049	11,164
IT services	971	828
Miscellaneous	15	13
Sales of goods	34,186	43,087
Energy and photovoltaic	6,257	9,103
Sanitary, heating and air conditioning technologies	26,964	33,137
IT licences	948	837
Other products	17	10
Licence fees	11,012	6,499
Licences (Cloud applications)	11,012	6,499
Other Activities	1,621	1,931
Reconciliation	-2,911	-2,470
Total Group	55,943	61,052

5.2 Other income

Other income consists of the following:

(In kEUR)	2021	2020
Developer revenue office building InnoHubs	2,787	0
Income from asset disposals	1,882	129
Expense allowances for information pursuant to the Telecommunications Surveillance Ordinance	1,082	981
Auflösung von bedingten Kaufpreisverbindlichkeiten	556	0
Income from other accounting periods	128	41
Income from the reversal of provisions/ provisions with liability characteristics	122	104
Income from the reduction of allowances	101	138
Insurance compensation	42	20
Income from deconsolidation	0	3,507
Other income	155	417
Total	6,855	5,337

Other income also comprises proceeds of EUR 2,787 million (previous year: EUR 0 million) from the sale of parts of premises in the office property being built in Würzburg in accordance with progress made in construction. The areas of the building included consisted of those for which notarised purchase agreements were available. Income from asset disposal also included proceeds from the sale of (part) of the Adelebsen property totalling around kEUR 1,879 million. In the financial year 2020, proceeds from the sale of ClimaLevel Energiesysteme GmbH and Märkischen Windkraft 110 GmbH & Co. KG were disclosed under other income and reported in an amount from deconsolidation totalling kEUR 3,507 million. Income from the reduction of allowances is offset by expenses from losses on receivables and from allowances for doubtful accounts.

5.3 Changes in inventory

The positive change in inventory amounting to kEUR 1,953 million is essentially attributable to progress made in connection with the building project in Würzburg. In the previous year, a negative change in inventory of kEUR 423 million was recorded, largely in connection with the wind farm project development.

5.4 Own work capitalised

Own work capitalised amounts to kEUR 760 (previous year: kEUR 202). By contrast, an increase in other own work capitalised resulted from proprietary software development services in the expansion of logistics activities in the SHAC segment, as well as from extending the weclapp platform.

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 purchased services in the renewable energy sector:

(In kEUR)	2021	2020
Cost of goods	21,279	23,508
Connection services	3,529	3,658
Expenses for purchased services	2,847	4,565
Network costs	757	751
Expenses in trade of IT licences	694	643
Project performance in renewable energies	168	58
Costs of interconnection	12	12
Total	29,286	33,195

5.6 Personnel expenses

Personnel expenses comprise the following:

(In kEUR)	2021	2020
Salaries and wages	12,486	10,914
Social security contributions	2,203	1,848
Other personnel expenses	291	340
Total	14,980	13,102

Other personnel expenses include expenses of kEUR 67 (previous year: kEUR 67) for the share option plan 2018 and for the weclapp SE share option plan 2021 in of kEUR 41 (previous year: kEUR 0).

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

Segment	2021	2020
ITC	151	109
Renewable Energies	3	3
SHAC	65	84
Holding	35	35
Total	254	231

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 988 (previous year: kEUR 842). No defined benefit commitments were made.

5.7 Other operating expenses

Other operating expenses include the following items:

(In kEUR)	2021	2020
Other consulting costs	1,297	460
Maintenance	1,242	1,569
Sales commissions/brokerage fees	1,024	1,069
Advertising and hospitality expenses	1,009	901
Premises expenses/rental expenses	610	758
External services/third party work	486	394
Travel and vehicle expenses	363	337
Subsequent purchase price adjustments	360	0
Legal advice and court costs	339	88
Technical consultancy costs	335	286
Telephone/shipping costs	284	285
Year-end closing and audit costs	271	293
Incidental costs of monetary transactions	265	265
Cost of recruitment	239	11
Insurances	236	281
Costs for licences, trademarks and similar rights	210	75
Supervisory Board remuneration incl. travel expenses	205	176
Bad debt	130	167
Premiums, fees and donations	122	66
Expenses for other accounting periods	105	121
Operating lease for mobile economic goods	105	67
Value adjustments to receivables	84	24
Other taxes	71	83
Other operating expenses	590	545
Total	9,982	8,321

Other operating expenses include expenses of kEUR 1 (previous year: kEUR 1) from currency translation.

5.8 Depreciation and amortisation

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to kEUR 3,713 (previous year: kEUR 4,620).

Depreciation of property, plant and equipment largely relates to plants in the Renewable Energies segment. Depreciation and amortisation also includes 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 790 (previous year: kEUR 989).

5.9 Financial result

Interest on current and loan accounts and shares in the profit and loss of companies included using the equity method are disclosed under this item. The financial result also includes interest expenses from leasing liabilities in an amount of kEUR 60 (previous year: kEUR 102).

(In kEUR)	2021	2020
Interest and similar income	2	23
Interest income	2	23
Interest expenses for financial liabilities	-409	-541
Interest expenses for leasing liabilities	-60	-102
Other interest and similar expenses	-5	-59
Interest expenses	-474	-702
Share in profit/loss of companies included using the equity-method	0	1
Write-downs of financial assets	0	0
Total	-472	-678

5.10 Income tax expenses

Income taxes include both taxes paid or owed on income and deferred taxes.

(In kEUR)	2021	2020
Current income tax expenses	1,223	1,328
Deferred taxes	1,024	-28
Total	2,247	1,300

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the financial year 2021, profit was subject to corporation tax of 15 % plus a 5.5 % solidarity surcharge. Trade tax in Marburg amounted to 14 % in 2021. The income tax rate for the Group (parent company) stood at 29.825 % (previous year: 29.825 %).

The tax rate applied to foreign companies is 25 % for Austria.

Deferred tax on hedging instruments recognised directly in equity came in at kEUR 0 (previous year: kEUR 0).

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. After 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. After 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 contains a reconciliation between the tax expense calculated by applying the German tax rates to the reported pre-tax profit for the year and the actual tax expense in these financial statements:

Reconciliation	2021 kEUR	2021 %	2020 kEUR	2020 %
EBT	6,289	100.0	5,263	100.0
Income tax rate (29.825 %; previous year: 29.825 %)				
Calculated tax income/expenses	1,876	29.8	1,570	29.8
Non-deductible expenses/ tax-exempt income	37	0.6	-563	-10.7
Effects of allowance of deferred taxes / non-inclusion of deferred taxes from loss carry forwards	522	8.3	932	17.7
Use of tax loss carryforwards, in the previous year no recording	-111	-1.7	-205	-3.9
Effect of tax rate differences of foreign tax jurisdictions	-1	0.0	-2	0.0
Deviations due to different trade tax collection rates	-16	-0.2	-18	-0.3
Effects from deconsolidation	0	0.0	-343	-6.5
Aperiodic tax effects	-40	-0.6	-37	-0.7
Miscellaneous	-20	-0.3	-34	-0.7
Effective tax expenses	2,247	35.7	1,300	24.7

5.11 Earnings per share

Earnings per share corresponds to the profit from continuing operations and profit from discontinued operations which can be allocated to the ordinary shareholders of 3U HOLDING AG, or profit (after tax) divided by the weighted average number of outstanding shares during the financial year.

The calculation of earnings per share is based on the following data:

	2021	2020
Basis of the earnings per share (share in net profit attributable to the shareholders of the parent company in kEUR)	2,918	3,267
Number of ordinary shares issued (ex treasury shares)		
As of 1 January	35,314,016	34,130,376
As of 31 December	35,314,016	35,314,016
Weighted average number of ordinary shares for undiluted earnings	35,314,016	34,489,349
Effect of dilutive potential of ordinary shares:*		
Options issued as at 31 December	2,771,998	2,771,998
Weighted number of dilutive options	2,212,836	2,523,069
Weighted average number of ordinary shares for diluted earnings	37,526,852	37,012,418
Earnings per share, undiluted (in EUR)	0.08	0.09
Earnings per share, diluted (in EUR)	0.08	0.09

*174.000 share options expired in the financial year 2021. 412.000 share options expired in the financial year 2020. 20.000 share options expired in the financial year 2019.
In total, 606.000 share options have elapsed. The programme ended on 24 May 2021, as prescribed.

6 Notes to the consolidated statement of financial position

6.1 Non-current 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 (Note 6.15.1 and 6.15.2).

6.1.1 Intangible assets

The carrying amounts of intangible assets are as follows:

(In kEUR)	31/12/2021	31/12/2020
Self-created industrial property rights and similar rights and assets	591	178
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	11,639	1,329
Goodwill	18,349	603
Advance payments on intangible assets	0	282
Total	30,579	2,392

The intangible assets acquired against payment are valued at cost less accumulated amortisation using the straight line method. These relate primarily to usage rights of properties and software licences for transmission and IT technology. We refer to the amortisation in the income statement. Usage rights for land were amortised over the contractually agreed term.

Further goodwill was ascertained from the business combinations with ITscope GmbH and FinanzGeek GmbH in the financial year 2021. Goodwill of kEUR 17,648 was recognised for the business combination with ITscope GmbH and of kEUR 98 for the combination with FinanzGeek GmbH.

The goodwill identified was subsequently allocated to the cash-generating units of weclapp SE in an amount of kEUR 2,971 and to the cash-generating unit of IT scope GmbH in an amount of kEUR 14,677. The goodwill identified from the purchase of the shares in FinanzGeek GmbH was fully assigned to FinanzGeek GmbH as the cash-generating unit.

Impairment tests were carried out on the cash-generating units of weclapp SE, ITscope GmbH and FinanzGeek GmbH for the first time in the financial year 2021. In the previous year, weclapp SE did not carry goodwill while, in the case of IT scope GmbH and FinanzGeek GmbH, the respective shares were only acquired in the financial year 2021.

As part of the acquisition of the "Online Store" 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 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 segment Renewable Energies.

As in the previous year, impairment tests were carried out on the following cash-generating units in the financial year 2021: "Online-shop", project development (3U ENERGY PE GmbH) and the generating of wind energy (Windpark Langendorf GmbH & Co. KG).

In the financial year 2021, 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 impairment of goodwill in the financial year 2021, as well as in previous periods, has not been recognised

To calculate the value in use the key assumptions in the online shop are based on the growth rates of the past as well as the expected market development. The assumption of sales in project development is based on the offers received in the past for individual wind farm projects as well as on 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 from this. The necessary approvals for planned wind farm projects are also expected to be granted. Sales in the Langendorf wind farm were determined on the basis of secured remuneration under the German Renewable Energy Sources Act (EEG), an expected remuneration for periods following the termination of EEG remuneration, taking into account the current market value plus an appropriate surcharge and availability of at least 97 %.

The revenue growth assumptions for weclapp SE, ITscope GmbH and FinanzGeek GmbH are based on the anticipated organic growth of the customer bases in 2022 and in the years beyond, also in consideration of synergy potential within the Group. This also particularly includes up- and cross-selling potential and personnel costs synergies.

In calculating the values in use as of 31 December 2021, a weighted average cost of capital (WACC) before tax was applied as follows: 7.69 % (previous year: 8.42 %) to the "Onlineshop" cash-generating unit, 11.15 % (previous year: 11.87 %) to project development (3U ENERGY PE GmbH), 14.88 % (previous year: 7.00 %) to generating wind energy (Windpark Langendorf GmbH & Co. KG), 15.07 % to weclapp SE' (no impairment test in 2020), 14.89 % to IT scope GmbH (no impairment test in 2020) and 13.77 % to FinanzGeek GmbH (no impairment test in 2020).

Owing to the high scalability of their products and significant barriers to market entry for potential competitors a growth rate of 1.0 % in WACC was factored in in the phase of perpetuity for the cash-generating units with unlimited useful life, specifically "Onlineshop", weclapp SE, ITscope GmbH and FinanzGeek GmbH. Limited useful life was assumed for the other cash-generating units and, accordingly, no growth rate applied in WACC.

Changes in key assumptions may generally have a significant impact on the respective values. As part of the sensitivity analysis, changes in WACC, as well as changes in the expected feed-in tariff in the context of WP 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. Reference is made to the explanations under Note 2.3.15.

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.

Upon completion of the logistics centre in Koblenz in the financial year 2021, the centre was disclosed under land and buildings as part of property, plant and equipment. In the previous year, disclosure was made under assets under construction. The technical facilities of the Adelebsen solar park and of the wind farms are essentially reported as technical equipment and machines. This year's 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 parts of the building have been concluded.

6.1.3 Rights of use and policing liabilities

In accordance with IFRS 16, rights of use in the context of leases amounting to kEUR 3,681 (previous year: kEUR 2,486) were reported under non-current assets as of 31 December 2021. 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 of five years for the wind park areas. There are no other extension or purchase options.

As of 31 December 2021, non-current lease liabilities of kEUR 3,184 (previous year: kEUR 2,279) and current lease liabilities of kEUR 975 (previous year: kEUR 764) are reported.

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 264 in the 2021 financial year (previous year: kEUR 396). Leases for an asset of minor value incurred expenses of kEUR 33 in the 2021 financial year (previous year: kEUR 21).

Expenses of variable lease payments not included in the measurement of the lease liability amount to kEUR 96 in the 2021 financial year (previous year: kEUR 67).

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 1,295 in the financial year 2021 (previous year: kEUR 1,600).

6.1.4 Investment property

Investment properties not used for operations or only used to a minor extent are essentially reported under investment properties.

Similar to year-end 2020, 3U HOLDING AG did not have any investment properties as of 31 December 2021.

The property in Linz sold in the financial year 2020 was reported under investment property up until 30 September 2020. Moreover, parts of the commercial property in Adelebsen were disclosed under this item through to the end of the financial year 2020. In respect of the Adelebsen commercial property, only the part on which the ground-mounted system of the solar park was erected was not disclosed as investment property. The building and the remaining land were reported under investment property.

Upon conclusion of a purchase agreement concerning the disposal of parts of the Adelebsen commercial property, proof of a financing commitment furnished by the buyer, and the cadastral measurement and registration of the properties for sale the real estate cadaster, the conditions under IFRS 5 were fulfilled, and parts of the Adelebsen commercial property were disclosed under assets held for sale as of 31 December 2020.

The lease and rental income from investment properties stood at kEUR 450 in the previous year. Operating expenses incurred by the investment properties in financial 2020 amounted to kEUR 70, which was fully allocated to leased investment property in the year before.

6.1.5 Financial assets and other non-current assets

Investments accounted for using the equity method

In the financial year 2021, 50 % of the shares in Marburg-based Spider Telecom GmbH were sold, effective 1 January 2021, by way of notarised purchase agreement.

As of 31 December 2020, Marburg-based Spider Telecom GmbH was still accounted for using the equity method. Substantial contributions margins for the telephony network operation are generated through Spider Telecom GmbH. Summarised financial information pursuant to IFRS on this investment as of 31 December 2020 was as follows:

Spider Telecom GmbH

Spider Telecom GmbH (in kEUR)	31/12/2020
Total current assets	52
Total non-current assets	0
Total current liabilities	18
Total non-current liabilities	0
Write-offs	0
Interest earnings	0
Interest expenses	0
Taxes	4
Revenue	164
Profit/loss (-) after taxes	9

Cash and cash equivalents of kEUR 23 were included under current assets as of 31 December 2020. There were no financial liabilities as of 31 December 2020.

The company's balance sheet date was 31 December 2020.

Spider Telecom GmbH has concluded a cost allocation agreement with its other shareholders. In the financial year 2020 an amount of kEUR 96 was settled based on this agreement.

The carrying value of this company accounted for using the equity method developed as follows:

Carrying amount (in kEUR)	2021	2020
As of 1 January	14	19
Dividends received	0	6
Pro rata share of net result for the year	0	1
Disposal from the sale	14	0
As of 31 December	0	14

No restrictions on the ability of the associated company to transfer financial resources in the form of cash dividends, credit or advance repayment to the shareholder apply.

There were and are no contingent liabilities or Capital commitments in relation to this company.

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 5,473 (previous year: kEUR 1,585).

The deferred tax assets and liabilities as of the balance sheet date are as follows:

Deferred taxes (in kEUR)	31/12/2021		31/12/2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	1,372	-2,542	1,541	185
Property, plant and equipment	0	-1,111	0	1,587
Rights of use	0	-860	0	415
Inventory	3,266	-171	0	243
Other assets	246	-4,289	15	4
Provisions	0	-42	0	35
Liabilities	1,098	-772	438	4
Loss carry forwards	1,299	0	1,446	0
Subtotal	7,281	-9,787	3,440	2,473
Netting	-5,473	5,473	-1,585	-1,585
Total	1,808	-4,314	1,855	888

Under the local tax provisions, loss carryforwards with no expiration date for which no deferred tax assets were reported in the consolidated statement of financial position totalled kEUR 22,558 (previous year: kEUR 21,451) for corporate tax and kEUR 25,370 (previous year: kEUR 23,967) for trade tax and essentially relate to the loss carry 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 847 (previous year: kEUR 221) on which no deferred taxes have been accrued since neither sale nor profit distributions are planned.

Deferred taxes of kEUR 351 (previous year: kEUR 197) were recognised 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:

(In kEUR)	31/12/2021	31/12/2020
Raw materials and supplies	365	268
Work in progress	6,090	4,193
Finished products and goods	7,130	4,109
Total	13,585	8,570

Inventories amounting to kEUR 0 (previous year: kEUR 0) were recognised at the net realisable value. Write-ups did not take place in 2021 or 2020

Work in progress includes the Group's wind farm project developments. There were no security assignments as of 31 December 2021 and 31 December 2020, respectively.

6.4 Trade receivables

Trade receivables consist of the following:

(In kEUR)	31/12/2021	31/12/2020
Trade receivables before valuation allowances	16,536	4,291
Valuation allowances	-487	-492
Total	16,049	3,799

Trade receivables include receivables from affiliated companies which are not consolidated or companies with which 3U has an associated ownership structure, as follows:

(In kEUR)	31/12/2021	31/12/2020
Other receivables	109	68
Valuation allowances	0	0
Total	109	68

Uniform valuation allowances are recognised within the Group for the receivables depending on the age structure of the receivables.

The Group writes off trade receivables which 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 probably to be expected. 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 on trade receivables of kEUR 487 (previous year: kEUR 492) due from debtors against which insolvency proceedings have been opened and where receivables are older than one year and default is 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.

6.5 Other current assets and receivables from income tax refunds

Other current assets comprise the following:

(In kEUR)	31/12/2021	31/12/2020
Receivables from tax refunds	2,599	433
Advance payments	606	499
Other	3,641	3,807
Total	6,846	4,739

Receivables from income tax refunds of kEUR 1,030 (previous year: kEUR 214) are included in receivables from tax refunds.

3U HOLDING AG's gold holdings of kEUR 2,970 (previous year: kEUR 2,981) are disclosed under Other.

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 Note 8.2 for information on default risk.

6.7 Assets held for sale

The part of the Adelebsen property held for sale is shown under this item as of 31 December 2020. Upon conclusion of a purchase agreement in 2020 concerning the disposal of parts of the Adelebsen commercial property, proof of a financing commitment furnished by the buyer, and the cadastral measurement and land registration of the properties for sale in the real estate cadaster, the conditions under IFRS 5 were fulfilled, and parts of the Adelebsen commercial property were disclosed in an amount of kEUR 3,163 under assets held for sale. The sale of parts of this property were completed in the financial year 2021, effective 1 January 2021.

6.8 Shareholders' equity

6.8.1 Subscribed capital

The nominal share capital has comprised 35,314,016 no-par value shares with a nominal value of EUR 1.00 per share since 27 November 2012. The total share capital is fully paid up.

The company has only 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 the company's profit. Treasury shares held by the company and from which the company 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 AktG.

Authorised Capital

By way of resolution of the Annual General Meeting on 23 May 2019, the Authorised Capital 2014 was cancelled when the new Authorised Capital came into effect and new Authorised Capital 2019 was created for the period up until May 22, 2024 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 3,531,401.00 (previous year: EUR 3,531,401.00). 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 share option programme 2018, 2,771,998 share options were issued; as of the reporting date on 31 December 2021, 606,000 of these options had expired. Each option right entitles the bearer to acquire one share of common stock of the company at a strike

price of EUR 1.24. The option rights may be exercised after a lock-up period of eight years beginning on the date of the issuance.

Reserves

As at 31 December 2021, the company recognised a capital reserve of kEUR 14,821 (previous year: kEUR 11,887) as well as retained earnings of kEUR -849 (previous year: kEUR -862). Retained earnings developed negatively in connection with the acquisition of non-controlling interests.

The capital reserve of kEUR 14,821 (previous year: kEUR 11,887) includes the premium over the nominal amount from the issuing of shares in 3U HOLDING AG in an amount of kEUR 22,975 (previous year: kEUR 22,975). The capital reserve rose by kEUR 2,838 in the reporting period in the context of the capital increase at weclapp SE as part of the acquisition of ITscope GmbH. The share option programme 2018 resulted in an increase in the capital reserve of kEUR 67 in 2021 (previous year: kEUR 67). Similarly, the share option programme 2021 of weclapp SE contributed to raising the capital reserve by kEUR 29 (previous year: kEUR 0).

Treasury shares

As of 31 December 2021, the company did not have any treasury shares, as was the case on 31 December 2020.

Dividend payments

Dividend of EUR 0.05 (previous year: EUR 0.04) per share each entitled to profit participation was distributed for the 2020 financial year (total: kEUR 1,766; previous year: kEUR 1,365). For the financial year 2021, the Management Board and the Supervisory Board propose to distribute EUR 0.05 per share entitled to profit participation. Under this proposal the total dividend payment would amount to kEUR 1,766.

6.8.2 Share buyback programme

The company does not have a share buyback programme.

6.8.3 Employee participation programme

Share option plan 2018

The share option plan 2018 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 of the German Stock Corporation Act (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 at the first management level below the management and other employees of German and international affiliated companies (Section 15 AktG)

A total of 2,771,998 share options were issued under the share option plan 2018 as of 31 December 2021. 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 share option plan 2018 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 of a quarter and the day of the subsequent announcement of the (preliminary) quarterly results, 1 January of each year and the day of the subsequent announcement of the (preliminary) annual results, or 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)	2021	2020
As of 1 January	2,339,998	2,615,998
Issued	0	136,000
Expired	174,000	412,000
As of 31 December	2,165,998	2,339,998

6.8.4 Shares of non-controlling interests

The equity interest of non-controlling interests amounts to kEUR 6,865 (previous year: kEUR 849).

The equity interest of non-controlling interests is distributed across the individual Group companies as follows:

(In kEUR)	31/12/2021	31/12/2020
weclapp SE	5,110	-344
Windpark Roge GmbH & Co. Betriebs-KG	1,095	1,250
InnoHubs GmbH	737	-6
Windpark Klostermoor GmbH & Co. Betriebs-KG	39	43
ITscope GmbH	20	-
FinanzGeek GmbH	-32	-
Calefa GmbH	-33	-46
samoba GmbH	-71	-48
Total	6,865	849

The following key financial figures result for the companies with significant shares of non-controlling interests:

weclapp SE

	31/12/2021	31/12/2020
Share in %	29.0476	25.0002
Sales in kEUR	10,994	7,327
EBITDA in kEUR	2,097	2,628
Assets in kEUR	26,003	3,981
Liabilities in kEUR	17,516	4,615
Total cash flow in kEUR	-716	421
Share in profit attributable to non-controlling interests	313	413

Windpark Røge GmbH & Co. Betriebs-KG

	31/12/2021	31/12/2020
Share in %	49.91	49.91
Sales in kEUR	1,258	1,990
EBITDA in kEUR	815	1,409
Assets in kEUR	3,436	3,798
Liabilities in kEUR	1,242	1,292
Total cash flow in kEUR	118	137
Share in profit attributable to non-controlling interests	110	325

In the financial year 2021, an amount of kEUR 265 (previous year: kEUR 531) was distributed to non-controlling shareholders.

InnoHubs GmbH

	31/12/2021	31/12/2020
Share in %	25.00	25.00
Sales in kEUR	0	0
EBITDA in kEUR	4,729	-8
Assets in kEUR	19,995	1,522
Liabilities in kEUR	16,731	1,547
Total cash flow in kEUR	2,625	2
Share in profit attributable to non-controlling interests	743	-11

6.9 Financial liabilities and other non-current liabilities

The 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.

A loan to finance the acquisition of shares for the Roge wind farm was concluded in the financial year 2020 with the term until 30 November 2021. The loan was secured by way of pledging the limited partner shares in Windpark Roge GmbH & Co. Betriebs-KG without transferring voting rights. The loan was valued at kEUR 590 as of 31 December 2020 and was fully repaid in the financial year 2021.

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 2021, the loan was valued at kEUR 9,363 (previous year: kEUR 7,400). An initial repayment was made on 30 August 2021. 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 2030. The loan is secured by way of pledging the photovoltaic plant as collateral and had a carrying amount of kEUR 241 as of 31 December 2021.

An agreement on a credit line of kEUR 25,700 was concluded on 8/19 July 2021 for the purpose of financing the construction of the InnoHubs office building in Würzburg. The credit line was covered by an enforceable encumbrance in the same amount, assigning claims against the buyers of units under the construction project, assignment of claims from rental/lease fees, and by way of pledging credit receivables from the developer account to which the buyers of units remit their purchase price payments. In the context of this property financing, interest is charged only on the balance from drawdowns on the credit line and on the balance on the developer account. The loan amounted to kEUR 11,571 as of 31 December 2021. The credit balance on the developer account amounted to kEUR 2,294 as of 31 December 2021.

Under the loan agreement of 20/23 December 2021, an annuity loan of kEUR 3,300 was taken out from Volksbank Raiffeisenbank Würzburg eG. The loan will be used to finance the acquisition of office space in the InnoHubs building in Würzburg. Disbursement of the loan amount had not yet been made by the reporting date. A discount on the amount of the loan was not agreed. Collateral was furnished for this loan by way of an enforceable encumbrance against real property.

In addition, there is a long-term annuity loan of kEUR 500 at Volksbank Bruchsal-Bretten through the takeover of shares in ITscope GmbH. The loan has a term to maturity which ends on 31 March 2030. The loan amounted to kEUR 403 as of 31 December 2021. Similarly, a further amortisable loan of kEUR 1,000 was taken out from Volksbank Bruchsal-Bretten. The loan is secured by way of a deficiency guarantee extended by R+V Allgemeine Versicherung AG in an amount of kEUR 500 with a term which runs until 30 December 2028. The loan was stated at kEUR 1,000 as of 31 December 2021.

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 amounted to kEUR 7,598 as of 31 Decem-

ber 2021 (previous year: kEUR 8,442). 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 amounted to kEUR 600 as of 31 December 2021 (previous year: kEUR 667). As part of this loan, a credit of kEUR 694 (previous year: kEUR 694) was pledged to a debt service reserve account.

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 utilised as of 31 December 2021 as part of a guarantee facility amounting to kEUR 575 (previous year: kEUR 562). 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, the following fall due on 31 December:

(In kEUR)	31/12/2021	31/12/2020
Within a year	1,614	1,701
Between one and five years	18,037	5,564
After five years	11,224	9,834
Total	30,875	17,099

The loans bear interest of between 1.03 % and 3.63 % p. a.

Other non-current liabilities also include the non-current portion of obligations from rights to use software products and the sale of IT licenses (kEUR 2,839; previous year: kEUR 2,010). These liabilities also include obligations in addition to IT license trading resulting from the sale of licences by weclapp SE.

Furthermore, the long-term portion of the purchase price payment from acquiring the cop software through IT scope GmbH in 2020 and the anticipated subsequent purchase price adjustment totalling kEUR 1,065 (previous year: kEUR 0) were reported under non-current liabilities.

6.10 Other current liabilities and current income tax liabilities

These comprise the following:

(In kEUR)	31/12/2021	31/12/2020
Purchase price obligations	1,395	990
Other taxes	709	426
Provisions of a liability nature	163	147
Personnel obligations	1,062	996
Income taxes	595	937
Other liabilities	4,186	2,543
Total	8,110	6,039

The purchase price payment obligation relates to the obligation to pay a retroactive purchase price adjustment from the purchase of the wind park project developments, the acquisition of ITscope GmbH and the short-term portion of the obligation arising from the purchasing the cop software through ITscope, as well as a retroactive purchase price adjustment from selling the Lüdersdorf wind farm. In the previous year, purchase price liabilities from selling the Schlenzer wind farm and buying the Langendorf wind farm were included in this position. These were liquidated in the financial year. The maturity requirements in the amounts disclosed as of the balance sheet date of 31 December 2021 and on 31 December 2020 have not yet been met.

Provisions with a liability character mainly comprise obligations from outstanding invoices.

Other current liabilities also include the current portion of obligations from the sale of IT licenses (kEUR 3,855; previous year: kEUR 2,032). These liabilities also include obligations in addition to IT license trading resulting from the sale of licences by weclapp SE.

6.11 Provisions

Provisions comprise the following:

(In kEUR)	31/12/2021 Current	31/12/2021 Non-current	31/12/2020 Current	31/12/2020 Non-current
Restoration obligations	0	1,281	0	1,303
Litigation risks	20	0	20	0
Other	387	0	323	0
Total	407	1,281	343	1,303

The provisions developed as follows:

(In kEUR)	As of 1/1/2021	Utili- sation	Reversal	Accumu- lation	Allo- cation	Changes in the scope of consoli- dation	As of 31/12/2021
Restoration obligations	1,303	28	0	0	6	0	1,281
Litigation risks	20	0	0	0	0	0	20
Other	323	262	21	0	324	23	387
Total	1,646	290	21	0	330	23	1,688

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.

The changes in the scope of consolidation pertain to the initial consolidation of ITscope GmbH.

Other provisions mainly comprise provisions for year-end expenses.

6.12 Reporting on financial instruments

The following table shows a breakdown of carrying amounts according to the measurement categories and classes of IFRS 9 as of 31 December 2021.

In kEUR	Measurement category acc to IFRS 9	Book values at 31/12/2021	Book values at 31/12/2020
Assets			
Non-current financial assets			
Other	AC	145	106
Current financial assets			
Trade receivables and other receivables			
Trade receivables	AC	16,049	3,799
Other assets	AC	5,816	4,525
Cash and cash equivalents	AC	12,715	26,421
Financial assets at historic costs	AC	34,725	34,851
Liabilities			
Non-current liabilities			
Financial liabilities	AC	29,261	15,398
Lease liabilities	n.a.	3,184	2,279
Other	AC	3,904	2,010
Current financial liabilities			
Financial liabilities	AC	1,614	1,701
Current trade and other payables			
Current trade payables	AC	3,884	3,172
Other liabilities	AC	7,515	5,101
Current lease liabilities	n.a.	975	764
Financial liabilities at amortised cost	AC	50,337	30,425

AC = Amortized cost

Liabilities are divided into non-current liabilities of kEUR 36,349 (previous year: kEUR 19,687) and current liabilities of kEUR 13,988 (previous year: kEUR 10,738). The total interest expense/income from financial liabilities measured at fair value through profit or loss amounted to kEUR 0 in the financial year 2021 (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 84 (previous year: kEUR 24).

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 Notes 6.4 and 6.5.

The overdue trade receivables of kEUR 737 (previous year: kEUR 753) which are not impaired and older than twelve months stood at kEUR 19 (previous year: kEUR 20) and between six and twelve months at kEUR 49 (previous year: kEUR 63). Other financial assets past their due date and not impaired are older than twelve months in full in 2021 (kEUR 0) and also in 2020 (kEUR 50).

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 and the previous year.

Reference is also made to Note 2.3.13.

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 2021, financial assets of kEUR 62.5 (previous year: kEUR 119.5; amount after netting: kEUR 40.4/previous year: kEUR 58.6) and financial liabilities of kEUR 244.5 (previous year: kEUR 327.5; amount after netting: kEUR 222.4/previous year: kEUR 266.6) existed which are subject to a netting agreement and were not netted as of the balance sheet date.

Pledged collaterals generally exist for financial liabilities and are explained in Note 6.9.

6.13 Contingent liabilities and other financial obligations

The following financial obligations existed as of 31 December:

(In kEUR)	31/12/2021	31/12/2020
Within one year	17,984	2,723
More than one and less than five years	383	73
More than five years	0	0
Total	18,367	2,796

The purchase commitments included in other financial obligations amount to kEUR 17,855 (previous year: kEUR 2,581). Purchase commitments arose in the financial year from a general contractor agreement for the building of a logistics property in Würzburg and take account of payments still outstanding as well as orders placed for goods in e-commerce.

The other financial obligations relate to rental agreements for office space, technical areas, technical equipment and cars from Notes 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 Group'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 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 0.15 million were pledged.

As part of the property financing to build an office property in Würzburg, the credit receivables on the developer account were pledged. The credit balance on the developer account amounted to kEUR 2,294 as of 31 December 2021.

weclapp SE concluded a loan agreement of kEUR 3,300 for the purpose of financing its acquisition of premises in the InnoHubs building. The loan had not yet been utilised as of 31 December 2021.

6.14 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 2021.

6.15.1 Development of non-current assets 2021

3U Group (in kEUR)	Historical costs						As of 31/12/2021
	As of 01/01/2021	Additions	Reclassi- fications	Disposals	Reclassifica- tion of dis- posal values	Changes in the scope of consolidation	
I. Intangible assets							
1. Self-created industrial property rights and similar rights and assets	178	413	0	0	0	0	591
2. Purchased concessions, industrial property rights and similar rights and assets and licenses to such rights and assets	6,683	864	12	321	0	9,770	17,008
3. Customer base	331	0	0	0	0	0	331
4. Goodwill	616	0	0	0	0	17,746	18,362
Total intangible assets	7,808	1,277	12	321	0	27,516	36,292
II. Property, plant and equipment							
1. Land and buildings including buildings on third party land	5,272	1,270	8,449	2	0	0	14,989
2. Technical equipment and machines	40,889	326	3	379	0	0	40,839
3. Other equipment, plant and office equipment	3,329	380	-3	1,226	0	465	2,945
4. Constructions in progress	8,932	2,383	-8,461	0	0	0	2,854
Total property, plant and equipment	58,422	4,359	-12	1,607	0	465	61,627
III. Rights of use							
Rights of use from leasing contracts	3,849	241	0	0	0	2,074	6,164
Total rights of use	3,849	241	0	0	0	2,074	6,164
III. 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	70,079	5,877	0	1,928	0	30,055	104,083

Numbers are rounded. Rounding differences may arise in the summation.

As of 01/01/2021	Additions	Accumulated depreciation				As of 31/12/2021		Carrying amounts	
		Reclassi- fications	Disposals	Reclassifica- tion of dis- posal values	Changes in the scope of consolidation			As of 31/12/2021	As of 31/12/2020
0	0	0	0	0	0	0		591	178
5,072	565	0	321	0	53	5,369		11,639	1,611
331	0	0	0	0	0	331		0	0
13	0	0	0	0	0	13		18,349	603
5,416	565	0	321	0	53	5,713		30,579	2,392
142	176	0	0	0	0	318		14,671	5,130
23,342	2,679	2	376	0	0	25,647		15,192	17,547
2,679	294	-2	1,167	0	312	2,116		829	650
0	0	0	0	0	0	0		2,854	8,932
26,163	3,149	0	1,543	0	312	28,081		33,546	32,259
1,363	790	0	0	0	330	2,483		3,681	2,486
1,363	790	0	0	0	330	2,483		3,681	2,486
0	0	0	0	0	0	0		0	0
0	0	0	0	0	0	0		0	0
32,942	4,504	0	1,864	0	695	36,277		67,806	37,137

6.15.2 Development of non-current assets 2020

3U Group (in kEUR)	Historical costs						As of 31/12/2020
	As of 01/01/2020	Additions	Reclassi- fications	Disposals	Reclassifica- tion of dis- posal values	Changes in the scope of consolidation	
I. Intangible assets							
1. Self-created industrial property rights and similar rights and assets	0	178	0	0	0	0	178
2. Purchased concessions, industrial property rights and similar rights and assets and licenses to such rights and assets	6,963	438	10	5	0	-723	6,683
3. Customer base	331	0	0	0	0	0	331
4. Goodwill	616	0	0	0	0	0	616
Total intangible assets	7,910	616	10	5	0	-723	7,808
II. Property, plant and equipment							
1. Land and buildings including buildings on third party land	4,238	1,006	0	0	0	28	5,272
2. Technical equipment and machines	47,059	79	20	13	0	-6,256	40,889
3. Other equipment, plant and office equipment	3,408	199	-30	87	0	-161	3,329
4. Constructions in progress	309	8,623	0	0	0	0	8,932
Total property, plant and equipment	55,014	9,907	-10	100	0	-6,389	58,422
III. Rights of use							
Rights of use from leasing contracts	4,333	835	0	9	0	-1,310	3,849
Total rights of use	4,333	835	0	9	0	-1,310	3,849
III. Investment properties							
Held as investment properties	5,097	0	0	0	-5,097	0	0
Total investment properties	5,097	0	0	0	-5,097	0	0
Total fixed assets	72,354	11,358	0	114	-5,097	-8,422	70,079

Numbers are rounded. Rounding differences may arise in the summation.

As of 01/01/2020	Additions	Accumulated depreciation				As of 31/12/2020		Carrying amounts	
		Reclassi- fications	Disposals	Reclassifica- tion of dis- posal values	Changes in the scope of consolidation			As of 31/12/2020	As of 31/12/2019
0	0	0	0	0	0	0		178	0
4,965	276	6	5	0	-170	5,072		1,611	1,998
331	0	0	0	0	0	331		0	0
13	0	0	0	0	0	13		603	603
5,309	276	6	5	0	-170	5,416		2,392	2,601
133	9	0	0	0	0	142		5,130	4,105
21,161	3,905	14	11	0	-1,727	23,342		17,547	25,898
2,613	256	-20	67	0	-103	2,679		650	795
0	0	0	0	0	0	0		8,932	309
23,907	4,170	-6	78	0	-1,830	26,163		32,259	31,107
683	989	0	8	0	-301	1,363		2,486	3,650
683	989	0	8	0	-301	1,363		2,486	3,650
1,160	0	0	0	-1,160	0	0		0	3,937
1,160	0	0	0	-1,160	0	0		0	3,937
31,059	5,435	0	91	-1,160	-2,301	32,942		37,137	41,295

7 Notes to the consolidated statement of cash flows

Cash and cash equivalents consist of time deposits, bank balances and cash in hand.

(In kEUR)	31/12/2021	31/12/2020
Time deposits	1,500	1,500
Bank balances and cash	11,215	24,921
Total cash and cash equivalents	12,715	26,421
Less credit balances deposited as collateral/restricted credit balances	5,098	2,804
Cash and cash equivalents	7,617	23,617

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 adjusting for non-cash income and expenses (mainly depreciation/amortisation) and taking into account changes in working capital, the 3U Group recorded a cash outflow from operating activities of kEUR -9,459 (previous year: inflow of kEUR 4,778). A determinant factor here is the higher level of inventory in the area of e-commerce and, in particular, invoices for payments on account requested at the end of the year 2021 from the property development project for the InnoHubs office building in Würzburg.

The cash flow from investing activities came in at kEUR -13,757 (previous year: kEUR -4,752) and resulted mainly from expenditure for acquiring ITscope GmbH and FinanzGeek GmbH. The cash flow from financing activity stood at kEUR 9,227 (previous year: kEUR 5,303) and resulted mainly from borrowings for the real estate projects in Koblenz and Würzburg. As in the previous year, exchange-rate-related changes did not occur.

Liquid funds that are subject to restrictions on disposal have increased significantly in connection with the InnoHubs building construction project in Würzburg.

All in all, this results in a cash-effective increase in cash funds of kEUR -16,000 (previous year: increase of kEUR 6,155).

Of the cash and cash equivalents of kEUR 12,715 (previous year: kEUR 26,421) reported at the end of the period, a total of kEUR 5,098 (previous year: kEUR 2,804) 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 0 (previous year: kEUR 19) received in the 2021 financial year is offset by interest payments of kEUR 553 (previous year: kEUR 701).

Dividends of EUR 0.05 per share (previous year: EUR 0.04) were paid/distributed to the shareholders of 3U HOLDING AG in the 2021 financial year.

In connection with acquiring/selling shares in subsidiaries, the Group received liquid funds of kEUR 283 (previous year: kEUR 5,801) and disbursed kEUR 13,237 (previous year: kEUR 894). The purchase or sale prices were paid in cash.

The cash in- and outflows comprise the following:

(In kEUR)	Inflow	2021 Outflow	Net	Inflow	2020 Outflow	Net
Acquisition	283	13,237	-12,954	0	0	0
Disposals	0	0	0	5,801	894	4,907
Total	283	13,237	-12,954	5,801	894	4,907

The assets and liabilities acquired/sold break down as follows:

(In kEUR)	ITscope GmbH	FinanzGeek GmbH	ClimaLevel Energiesysteme GmbH	Märkische Windkraft 110 GmbH & Co. KG
	Purchase 2021	Purchase 2021	Sale 2020	Sale 2020
Non-current assets	11,031	589	599	10,933
Current assets	572	4	1,930	940
Non-current liabilities	6,446	142	506	8,478
Current liabilities	1,807	62	1,785	243

A purchase price obligation of kEUR 250 from the acquisition of the shares in ITscope GmbH still existed as of 31 December 2021, but was not yet due on the reporting date.

Net income taxes paid in 2021 amounted to kEUR 2,382 (previous year: kEUR 1,413).

The change in financial liabilities is as follows:

Change in financial liabilities (in kEUR)	1/1/2021	Cash changes	Non-cash changes			31/12/2021
			Addition acc. to IFRS 16	Disposal	Disposal group	
Non-current financial liabilities	15,398	12,505	0	1,358	0	29,261
Current financial liabilities	1,701	-295	0	208	0	1,614
Leasing liabilities	3,043	-951	315	1,752	0	4,159
Total liabilities from financing activities	20,142	11,259	315	3,318	0	35,034

8 Other 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. In the process, steps are taken to ensure that all Group companies can operate under the going concern assumption.

As of 31 December 2021 and 2020, respectively, shareholders' equity and total assets amounted to:

	31/12/2021	31/12/2020	Change
Equity in kEUR	62,112	51,998	
Equity as % of total capital	52.17	60.54	+8.37 %-points
Liabilities in kEUR	56,935	33,897	
Liabilities as % of total capital	47.83	39.46	-8.37 %-points
Total capital (equity and liabilities) in kEUR	119,047	85,895	

Equity comprises the total capital, the Group's reserves and the shares of non-controlling shareholders. 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.

Foreign 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 have scarcely any importance for the Group. The Group's currency risk is therefore 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.

As in the previous year, no forward exchange contracts existed as of 31 December 2021.

The carrying amount of the Group's monetary assets and liabilities denominated in foreign currency as of 31 December 2021 is attributable to the activities of the ITC segment and is as follows:

Assets:	kEUR 2	(previous year: kEUR 2)
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.

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. The Group's liquidity reserves declined substantially in connection with the investments in 2021. Borrowing in the context of property investments was more than offset through the negative cash flow from operating activities to the cash outflow from the acquisition of shares in ITscope GmbH and FinanzGeek GmbH. 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. An amount of kEUR 1,035 (previous year: kEUR 1,022) was utilized in the form of a guarantee as part of bank guarantees on the balance sheet

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 current debt-to-equity ratio will remain largely constant.

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

As part of its normal business activities, 3U HOLDING AG and its subsidiaries maintain business relationships with joint ventures which are considered related companies of the Group. This pertains to Spider Telecom GmbH. The shares in this company were sold in the financial year 2021. These transactions pertained exclusively to supply and service relationships with these related companies. The transactions were carried out at conditions which are contractually agreed between the Group companies and are in line with market conditions. The cost-plus method was applied.

Current receivables vis-a-vis these companies in relation to 3U HOLDING AG's subsidiaries amounted to kEUR 2 on 31 December 2020 and current liabilities to kEUR 18. At 3U HOLDING AG, current receivables vis-a-vis these companies stood at kEUR 0 and current liabilities at kEUR 0.

Income of kEUR 45 and expenses of kEUR 164 resulted from these transactions at 3U HOLDING AG's subsidiaries in the financial year 2020. At 3U HOLDING AG, this income amounted to kEUR 8 and expenses to kEUR 0.

Business with other related parties relates primarily to supply and service relationships that were established on commercial terms and consulting services provided at market rates. These transactions were carried out with related parties/companies of companies/managers of Group companies. In the financial year 2021, this pertained to income of kEUR 0 (previous year: kEUR 5) and expenses of kEUR 53 (previous year: kEUR 65). As of 31 December 2021, current receivables amounted to kEUR 0 (previous year: kEUR 0) and current liabilities at kEUR 0 (previous year: kEUR 0).

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 has bought two units at a purchase price of kEUR 1,167. The purchase agreement includes a right to withdraw in favour of InnoHubs GmbH up until 30 June 2023. In accordance with progress made in construction, income of kEUR 159 had been realised by 31 December 2021.

The following persons were appointed members of the company's Management Board in the reporting year:

Michael Schmidt	Marburg Spokesman of 3U HOLDING AG's Management Board Member of the Supervisory Board of weclapp SE, Frankfurt am Main (since 9 December 2021)
Andreas Odenbreit	Marburg Member of the Management Board of 3U HOLDING AG Member of the Supervisory Board of 3U ENERGY AG Member of the Supervisory Board of weclapp SE, Frankfurt am Main (until 8 June 2021)
Christoph Hellrung	Hattingen Member of the Management Board of 3U HOLDING AG (until 31 October 2021) Member of the Supervisory Board of weclapp SE, Frankfurt am Main (until 8 June 2021)
Uwe Knoke	Wedemark Member of the Management Board of 3U HOLDING AG (since 1 November 2021)

The total remuneration of the Management Board granted in 2021 amounted to kEUR 1,129 (previous year: kEUR 1,060).

The variable remuneration for 2021 includes 91.9 % of the maximum possible variable remuneration for 2021 of kEUR 300 (Michael Schmidt), kEUR 50 (Andreas Odenbreit), kEUR 17 (Uwe Knoke) and kEUR 42 (Christoph Hellrung), respectively.

Remuneration of the members of the Management Board (in kEUR)	Michael Schmidt Spokesman of the Management Board		Andreas Odenbreit Management Board		Christoph Hellrung Management Board (until 31/10/2021)		Uwe Knoke Management Board (since 1/11/2021)		Management Board total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Fixed remuneration	300	300	150	150	125	150	25	–	600	600
Fringe benefits	36	36	15	18	99	28	3	–	153	82
Subtotal	336	336	165	168	224	178	28	–	753	682
One-year variable remuneration	276	284	46	47	38	47	7	–	367	378
Multi-year variable remuneration	0	0	0	0	0	0	9	–	9	0
Total	612	620	211	215	262	225	44	–	1,129	1,060
Pension allowances	0	0	0	0	0	0	0	–	0	0
Total remuneration	612	620	211	215	262	225	44	–	1,129	1,060

In the 2021 financial year, no share options were issued to the members of the Management Board. As of 31 December 2021, the Management Board members held share options as follows:

Name	Function	Share options
Michael Schmidt	Spokesman of the Management Board	166,666 units
Andreas Odenbreit	Member of the Management Board	166,666 units
Uwe Knoke	Member of the Management Board (since 1/11/2021)	100,000 units
Christoph Hellrung	Member of the Management Board (until 31/10/2021)	166,666 units

All remuneration for Management Board activities at 3U HOLDING AG is paid by 3U HOLDING AG. The subsidiaries did not pay any emoluments. In the period up until 31 October 2021, Mr. Uwe Knoke received remuneration of kEUR 179 as managing director of 3U TELECOM GmbH.

In addition, Management Board member Michael Schmidt purchased goods from subsidiaries worth kEUR 0 (previous year: kEUR 5).

Shares held by the Management Board and the Supervisory Board as of 31 December 2021:

Name	Function	Number of shares	Share options	
			Number	Value in EUR*
Michael Schmidt	Spokesman of the Management Board	8,999,995	166,666	32,950
Andreas Odenbreit	Member of the Management Board	20,500	166,666	32,950
Uwe Knoke	Member of the Management Board (since 1/11/2021)	0	100,000	19,770
Christoph Hellrung	Member of the Management Board (until 31/10/2021)	0	166,666	32,950
Ralf Thoenes	Chairman of the Supervisory Board	25,000	0	0
Stefan Thies	Deputy Chairman of the Supervisory Board	33,084	0	0
Jürgen Beck-Bazlen	Member of the Supervisory Board	1,364,300	0	0

*Value when granted

Mr. Jürgen Beck-Bazlen, member of the Supervisory Board announced that as of 31 December 2020, following the sale of shares in a small volume exempted from notification, he had held 1,370,000 shares.

Share options can only be exercised after the expiration of defined lock-up periods (vesting period). Their value is distributed over the duration of the vesting period and accounted for as expense in the respective reporting period.

In the financial year 2021, kEUR 67 (previous year: kEUR 67) were recognised as personnel expenses relating to the share options issued to members of the Management Board, executives and employees. Arithmetically, kEUR 14 (previous year: kEUR 11) related to share options issued to Management Board members.

The following persons were members of the Supervisory Board in the reporting year as well as in the previous year:

Ralf Thoenes	<p>Düsseldorf</p> <p>Lawyer in the Altenburger law firm, Düsseldorf</p> <p>Chairman of 3U HOLDING AG's Supervisory Board</p> <p>Other Supervisory Board or Advisory Board mandates:</p> <p>Chairman of the Supervisory Board of 3U ENERGY AG, Marburg;</p> <p>Chairman of the Supervisory Board of weclapp SE, Frankfurt am Main</p>
Stefan Thies	<p>Heinsberg</p> <p>Diploma in business administration and tax consultant at Thies & Thies Steuerberatungsgesellschaft</p> <p>Deputy Chairman of the Supervisory Board of 3U HOLDING AG</p> <p>Other Supervisory Board or Advisory Board mandates:</p> <p>Deputy Chairman of the Supervisory Board of weclapp SE, Frankfurt am Main (since 8 June 2021)</p>
Jürgen Beck-Bazlen	<p>Ostfildern</p> <p>Construction physicist,</p> <p>employed at EGS-plan Ingenieurgesellschaft für Energie-, Gebäude- und Solartechnik mbH</p> <p>Member of the Supervisory Board of 3U HOLDING AG</p>

Supervisory Board remuneration for 2021 amounted to kEUR 158 (previous year: kEUR 165). A performance-related remuneration of kEUR 90 was accrued for 2021 (previous year: kEUR 90).

Name	Fixed remuneration in kEUR		Performance related remuneration in kEUR		Attendance-fee in kEUR		Total remuneration in kEUR	
	2021	2020	2021	2020	2021	2020	2021	2020
Ralf Thoenes (Chairman)	10	10	40	40	15	18	65	68
Stefan Thies (Deputy Chairman)	8	8	30	30	15	18	53	55
Jürgen Beck-Bazlen	5	5	20	20	15	18	40	43
Total*	23	23	90	90	45	53	158	165

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

In addition, Supervisory Board members are reimbursed for their travel expenses and other outlays. Mr. Thoenes received reimbursement for his expenses of kEUR 0.1 (previous year: kEUR 1.2) in the financial year 2021. Mr. Thies (previous year: kEUR 0.1) and Mr. Beck-Bazlen (previous year: kEUR 0.1) did not receive any reimbursements for outlays in the financial year. In addition, Mr. Thoenes received attendance fees and reimbursement of expenses amounting to kEUR 20 (previous year: kEUR 0) for his Supervisory Board activity at weclapp SE, and at 3U ENERGY AG in the amount of kEUR 0 in the financial year 2021 (previous year:

kEUR 6). Mr. Thies also received attendance fees and reimbursement of expenses amounting to kEUR 13 for his Supervisory Board activity at weclapp SE in the financial year 2021 (previous year: kEUR 0).

The members of the Supervisory Board do not receive any share-based remuneration components.

The Altenburger Rechtsanwälte law firm, whose partner Mr. Ralf Thoenes is Chairman of the Supervisory Board, received a total of kEUR 0.0 (previous year: kEUR 11.6), plus value added tax for its consulting services for the 3U Group over the past financial year. In the previous year, 3U HOLDING AG was provided with services.

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

After the end of the reporting period, on 24 February 2022, Russian troops crossed the border to Ukraine. NATO sent troops to its eastern European member states, and the European Union, the US and other nations imposed massive sanctions. The fighting in Ukraine was still ongoing on at the time when the financial statements were being drawn up. The markets in the two countries have an only marginal influence on the business of the 3U Group. Reliably ascertaining the extent to which developments in global policy and on an economic and financial scale will affect the business of the 3U Group is currently not possible.

After the end of the reporting period, on 16 March 2022, the Management Board of weclapp SE, in consultation with the Supervisory Board, decided to suspend the already far advanced preparations for a possible IPO of weclapp SE. This decision was made in the wake of current political events and in view of the volatility on the capital markets, as well as after intensive deliberations with the issuing banks.

8.5 Auditor's Fees

The fees, including additional expenses for the auditor Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, in the financial year 2021 are (previous year) as follows:

Annual audit services	kEUR 263*	(previous year: kEUR 270*)
Other certification services	kEUR 0	(previous year: kEUR 0)
Tax consulting services	kEUR 0	(previous year: kEUR 0)
Other services	kEUR 172	(previous year: kEUR 47)
Total	kEUR 435	(previous year: kEUR 317)

*Including recalculations for previous years of kEUR 1 (previous year: kEUR 40)

8.6 Declaration on the Corporate Governance Code in accordance with Article 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 Article 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)

In accordance with Section 21 (1) of the German Securities Trading Act (WpHG), Michael Schmidt, Lahntal, notified the company by way of a letter dated 28 November 2012 that his share of the voting rights in 3U HOLDING AG, Marburg, Germany, exceeded the threshold of 25 % of the voting rights on 27 November 2012 and amounted to 25.49 % (corresponding to 8,999,995 voting rights) on that date.

On 4 February 2015, Mr. Jürgen Beck-Bazlen, Ostfildern, informed the company according to Section 21 (1) WpHG that his share of the voting rights in 3U HOLDING AG, Marburg, Germany, exceeded the 3 % threshold of the voting rights on 2 February 2015 and amounted to 3.028 % on that date (corresponding to 1,069,418 voting rights).

3U HOLDING AG issued a notification in accordance with Section 40 (1) sentence 2 WpHG that its share of voting rights in treasury shares had fallen below the threshold of 5 % on 19 December 2019 and amounted to 3.352 % (corresponding to 1,183,640 voting rights) on that date.

3U HOLDING AG issued a notification in accordance with Section 40 (1) sentence 2 WpHG that its share of voting rights in treasury shares had fallen below the threshold of 3 % on 11 September 2020 and amounted to 0.0 % (corresponding to 0 voting rights) on that date.

Lupus alpha Investment GmbH issued a notification in accordance with Section 33 (1) WpHG that its share of voting rights in 3U HOLDING AG, Marburg, Germany, had exceeded the threshold of 3 % on 14 September 2020 and amounted to 3.35 % (corresponding to 1,183,640 voting rights) on this date.

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 approved the consolidated financial statements to be submitted to the Supervisory Board on 6 April 2022. The Supervisory Board is responsible for examining the consolidated financial statements and for declaring that it ratifies the consolidated financial statements. After publication, the financial statements cannot be altered.

Marburg, 6 April 2022

The Management Board



Michael Schmidt



Uwe Knoke



Andreas Odenbreit

202 Independent Auditor's Report*

To 3U Holding AG, Marburg

Note on the audit of the consolidated financial statements and the combined management report

Audit opinions

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 2021, 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 2021, 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 2021. We have not audited the parts of the combined management report identified as other information or the "Remuneration report" voluntarily included in the combined management report 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 2021 and its results of operations for the financial year from 1 January to 31 December 2021 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 or the "Remuneration report" voluntarily included in the combined management report.

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 "EU-APrVO") 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 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 2021. 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:

1. Recoverability of goodwill
2. Purchase of the shares in IT cope GmbH, Karlsruhe

Re 1) Recoverability of goodwill

- a) Risk to the financial statements

As of the balance sheet date, the consolidated balance sheet shows goodwill with carrying amount totalling kEUR 18,349.

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.

*The following is the unauthorised English translation of the German language Auditor's Report which is the only legally binding document. The translation is being provided for convenience purposes only.

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.

Re 2) Purchase of the shares in ITscope GmbH, Karlsruhe

a) Risk to the financial statements

In the 2021 financial year, weclapp SE, Frankfurt am Main, a company included in the consolidated financial statements, acquired 100 % of the shares in ITscope GmbH, Karlsruhe, at a purchase price of kEUR 21,000 by way of notarised share purchase and transfer agreement of 8 July 2021. The shares in ITscope were transferred in rem to weclapp SE through a transfer agreement separately notarised on 17 September 2021 by way of mixed contribution in kind.

In connection with the aforementioned purchase, essentially customer relationships in an amount of kEUR 3,736 and the technology platform in an amount of kEUR 4,305, along with goodwill of kEUR 17,648 were recognised in the consolidated financial statements as of 31 December 2021 in the context of initial consolidation.

Information provided by the company regarding the impact of the initial consolidations of the aforementioned company is included in sections 3 and 7 of the notes to the consolidated financial statements

b) Auditing procedure and conclusions

In the course of our audit, we first gained an understanding of the rules of the respective underlying notarised purchase agreement in order to assess its effects on the balance sheet and assessed the accounting treatment of the notarised agreements. In addition, we understood and assessed the recognition and measurement of the assets and liabilities, the identification of goodwill as well as the representation of the respective transaction in the company's financial accounting. In this context, we also reviewed the entries made by the company and the associated assets and liabilities (initial consolidation). We were able to satisfy ourselves that the disclosure in the context of initial consolidation was properly reflected.

Other information

The legal representatives or the Supervisory Board are responsible for other information. Other 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 information marked separately in the combined management report as not audited,
- 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 audited part of the combined management report, 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 included the section "Other information". Otherwise, the legal representatives are responsible for other 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 on other information obtained prior to the date of this Opinion, we conclude that there is a material misstatement of such other 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 and which are of free from material misstatement, whether due to fraud 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 suitable 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 provides a suitable understanding of the Group's position and suitably presents the opportunities and risks of future development in all material respects in accordance with the consolidated financial statements and the findings of our audit, as well as to issue an audit opinion containing our audit 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 the EU-APrVO 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 violations or inaccuracies 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. Beyond that:

- We identify and assess the risks of material misstatements, whether due to fraud or error, in the financial statements in the consolidated financial statements and in the combined management report, 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 that material misstatements will not be detected is greater for violations than for misstatements because violations may involve fraudulent interactions, falsification, intentional omissions, misrepresentations, or the invalidation of internal controls.
- We 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.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by legal representatives and the reasonableness of accounting estimates and related disclosures made by the legal representatives.

- We 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.
- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements present the underlying transactions and events in a 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.
- We 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.
- We 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.
- We 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 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 the safeguards which have been put in place to protect it.

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 Abs. 3a of the 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 "UUUHolding_AG_KA_KLB_ESEF-31-12-2021.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 2021 to 31 December 2021 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 (10/2021)). 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 Assurance in Auditing Practice (IDW QS 1).

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 no. 1 HGB and for the recording of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 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, whether due to fraud or error, 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.

Auditors 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, whether due to fraud or error, 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 with the requirements of Section 328 (1) HGB, whether due to fraud or error, 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;
- evaluate 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 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 EU-APrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on 20 May 2021. 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 2 June 2021. 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 EU-APrVO (audit report).

In addition to the auditing the financial statements of the audited entity and of the companies controlled by this 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 Management Board remuneration (ARUG II/DCGK)
- Project-related audit (3U Holding AG) of accounting issues
- Audit of the 2021 remuneration report of 3U Holding AG pursuant to Section 162 (3) AktG
- Voluntary audit of the separate financial statements (HGB) of weclapp SE as at 31 December 2020

- Voluntary audit of the annual financial statements (IFRS) of weclapp SE as at 31 December 2020
- Voluntary audit of the annual financial statements (HGB) of weclapp SE as at 31 December 2018 (formerly: Atrium Europäische VV SE)
- Voluntary audit of the annual financial statements (IFRS) of weclapp SE as at 31 December 2018 (formerly: Atrium Europäische VV SE)
- Pre-IPO audit activities for weclapp SE
- Audit of the 2021 profit forecast of weclapp SE
- Audit of pro-forma financial information of weclapp SE for the period from 1 January until 30 September 2021 as well as for the period from 1 January until 31 December 2020
- Audit review of the interim consolidated financial statements (IAS 34) of weclapp SE as at 30 September 2021
- Audit of the derivation of financial information from the interim consolidated financial statements of weclapp SE as at 30 November 2021 for the purpose of the IPO
- Issuing of a "Letter of Comfort" in connection with weclapp SE's IPO; owing the postponement of weclapp SE's IPO to a later date, we have not yet issued a Letter of Comfort.

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 – also versions to be published in the German Federal Gazette – are merely electronic reproductions of the audited consolidated financial statements and of the 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. Martin Theis.

Bonn, 6 April 2022

Ebner Stolz GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Burkhard Völkner

Certified Public Accountant Business

Martin Theis

Certified Public Accountant Business



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Financial calendar

- **Publication of quarterly announcement 1/2022**
11 May 2022
- **Participation in EF Equity Forum
German Spring Conference**
23 May 2022
- **Annual General Meeting 2022**
25 May 2022
- **Publication of half year financial report 2022**
10 August 2022
- **Publication of quarterly announcement 3/2022**
9 November 2022

Contact

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Disclaimer

The Annual Report 2021 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 management 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. Forward-looking 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 corresponding figures of other companies to a certain extent.

3U Group*

3U HOLDING AG

ITC	Renewable Energies	SHAC	Other Activities
010017 Telecom GmbH Marburg, Germany	3U ENERGY AG Marburg, Germany	Calefa GmbH Koblenz, Germany	InnoHubs GmbH Würzburg, Germany
3U TELECOM GmbH Marburg, Germany	3U ENERGY PE GmbH Berlin, Germany	PELIA Gebäudesysteme GmbH Koblenz, Germany	
3U TELECOM GmbH Vienna, Austria	3U Euro Energy Systems GmbH Marburg, Germany	samoba GmbH Bad Honnef, Germany	
Discount Telecom S&V GmbH Marburg, Germany	Immowerker GmbH Marburg, Germany	Selfio GmbH Bad Honnef, Germany	
Exacor GmbH Marburg, Germany	Repowering Sachsen-Anhalt GmbH Marburg, Germany		
FinanzGeek GmbH Worms, Germany	Solarpark Adelebsen GmbH Adelebsen, Germany		
fon4U Telecom GmbH Marburg, Germany	Windpark Klostermoor GmbH & Co. Betriebs-KG Marburg, Germany		
ITscope GmbH Karlsruhe, Germany	Windpark Langendorf GmbH & Co. KG Marburg, Germany		
LineCall Telecom GmbH Marburg, Germany	Windpark Langendorf Verwaltungsgesellschaft mbH Marburg, Germany		
OneTel Telecommunication GmbH Marburg, Germany	Windpark Roge GmbH Marburg, Germany		
RISIMA Consulting GmbH Marburg, Germany	Windpark Roge GmbH & Co. Betriebs-KG Marburg, Germany		
weclapp SE Frankfurt am Main, Germany			

*Fully consolidated companies as of 31 December 2021



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