

3U  HOLDING

Annual Report 2022



Group Results at a Glance

3U Group (IFRS)		Year-on-year comparison 01/01-31/12	
		2022	2021
Revenue	(in EUR million)	62.66	55.94
EBITDA (earnings before interest, taxes, depreciation and amortisation)	(in EUR million)	165.59	11.27
EBITDA from continuing operations	(in EUR million)	8.49	9.21
EBIT (earnings before interest and taxes)	(in EUR million)	161.09	6.76
EBT (earnings before taxes)	(in EUR million)	160.97	6.29
Net income for the period	(in EUR million)	158.99	2.92
Earnings per share from continuing operations (basic)	(in EUR)	0.09	0.06
Earnings per share from continuing operations (diluted)	(in EUR)	0.08	0.06
Earnings per share from discontinued operations (basic)	(in EUR)	4.41	0.02
Earnings per share from discontinued operations (diluted)	(in EUR)	4.18	0.02
Earnings per share total (basic)	(in EUR)	4.50	0.08
Earnings per share total (diluted)	(in EUR)	4.26	0.08
Equity ratio (as of 31 December)	(in %)	86.69	52.17
Total assets (as of 31 December)	(in EUR million)	243.60	119.05
Free cash flow	(in EUR million)	164.36	-23.22

3U Group (IFRS)		Q4 comparison 01/10-31/12	
		2022	2021
Revenue	(in EUR million)	12.70	15.73
EBITDA (earnings before interest, taxes, depreciation and amortisation)	(in EUR million)	0.74	5.71
EBIT (earnings before interest and taxes)	(in EUR million)	-0.14	4.28
EBT (earnings before taxes)	(in EUR million)	0.11	4.14
Net income for the period	(in EUR million)	0.16	1.98
Earnings per share total (basic)	(in EUR)	0.00	0.06
Earnings per share total (diluted)	(in EUR)	0.01	0.05
Free cash flow	(in EUR million)	0.12	-8.14

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

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Letter to our Shareholders

Ladies and Gentlemen, valued Shareholders,

What an exceptional year we have had! What possibilities – both exhilarating and challenging – are now open to us!

While we dubbed the year 2021 a “year of light and shadow”, the shadows receded in the financial year 2022, and there is no reason for us to hide our light under a bushel. We were resoundingly successful over the past year.

As you know, our company’s purpose is to create value in the interest of its shareholders and of all stakeholders. And you also know that our dividend policy has enabled you to participate in our success, year in, year out since 2016 – in full recognition at all times of your commitment to our – to your – 3U HOLDING AG.

At this year’s Annual General Meeting we will be putting forward a proposal to pay you dividend of EUR 3.20 per share. This is an exceptional, out-of-the-ordinary result of our well-known strategy which we have rigorously implemented and will carry forward to the future.

Fifteen years ago we put a development team together and started to develop a cloud-based ERP platform. In 2013 weclapp won its first customers and in 2017, nine years down the line, it made its first small profit. Over this long period, we channelled a good EUR 20 million into this undertaking. Admittedly, some observers had their doubts as to whether this money had been well invested. But we stuck with this daring venture and today, despite all the obstacles and the doubting we encountered, it has proven to be the greatest success story in our company’s history.

Twelve years ago we got together with the founders of a start-up who had come up with the rather crazy idea of selling floor heating systems over the Internet. Today our e-commerce business line delivers to more than 100,000 customers a year from its 14,000 square metre distribution centre and generates revenue of more than EUR 30 million. Will we be able to repeat the weclapp success story with this business as well? That’s exactly what we are working on right now.

And we have tailwind for this undertaking: people all over the world will be heating differently in times to come. Growing political pressure is driving the exit from fossil fuels and fuelling innovations that are facilitating the switch to more efficient, carbon-free heat generation which is also affordable. This is precisely where our core competence lies!

The much-lamented shortage of tradespeople is making DIY more appealing. Many plans for optimising the quality of home life can be realised on a DIY basis with the right products and the right advice. Do it yourself – but do it right! This slogan catches the essence of our winning formula and that of our customers!

But the SHAC segment is not the only business where a megatrend is on our side.



Christoph Hellrung (CFO)



Uwe Knoke (Strategy and Business Development)



Andreas Odenbreit (Legal and HR)

Back in 2022 we were already achieving better terms and conditions for our electricity supply contracts, and the effective remuneration rates have now risen even further since the start of the current year. As power producers, we can also benefit from the higher market prices for electricity to a certain extent. Raising our earnings boosted by the current market environment opens up additional medium- and long-term prospects.

The energy price trend in recent years is not unique in illustrating the urgency of achieving a rapid and sustainable transition to producing power from renewable energies. Many opportunities have been missed in Germany as well in past years, and we were also prevented from moving forward and realising planned projects. Releasing the brakes again is all the more important for our country and for our company. The framework conditions for repowering and project development are gradually improving, as is the potential that these activities bring to promoting the growth trajectory of our Renewable Energies segment. Once we have the requisite approvals, we will not hesitate to begin work on renewing the facilities in parts of the Langendorf wind farm.

Our core market of Germany is lagging behind not only in renewable energies but also in information and telecommunications technologies. Measured in terms of digitalisation, Germany ranks in the lower middle range compared with other European countries. We view the need to catch up as an opportunity to be seized. Particularly SMBs – small and medium-sized companies – rely on external support as skilled staff are scarce. Instead of focusing on IT, management teams and employees much prefer to concentrate on their customers and business models. With the worry-free, end-to-end package of our Managed Services we offer them this advantage which fits the bill: the possibility of relying on IT support that will work seamlessly and not let them down. Once again, we start small – and once again, we see huge growth potential. The environment of a stable and increasingly profitable ITC segment can provide this young business with the necessary backbone.

In a nutshell: We believe we are very well positioned in all three segments to achieve further organic growth.

What is more: Even after paying out the proposed dividend, we still have substantial financial resources. This will enable us to promote our organic growth while also initiating and implementing strategically viable company acquisitions. We will have opportunities for acquisitions in SMB digitalisation as well as in the market for specialised e-commerce offerings. Rest assured that we will not be overhasty – and there will be no lack of sound judgement and care. Sustainable profitable growth, on the one

hand, and creating value in the interest of our shareholders and all stakeholders, on the other, remain our guiding principles. We are confident that we will be able to present you with good news going forward, as:

We are and will remain successful in megatrends!

Marburg, in March 2022

Your Management Board

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

Christoph Hellrung

A blue ink signature with a large, sweeping loop at the end.

Uwe Knoke

A blue ink signature with 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 2022 in this report:

Cooperation between the Supervisory Board and the Management Board

The start of the year 2022 heralded deliberations between the Management Board and the Supervisory Board focused on an initial public offering (IPO) of subsidiary weclapp SE. The Management Board and the Supervisory Board kept a close eye on the stock market valuations of technology equities and concluded that the steep downtrend in these shares clearly indicated that the environment for launching weclapp SE on the stock exchange was unfavourable. Underpinned by the strong commitment of the employees, of the management team, and also of the Supervisory Board, this undertaking so intensively planned had already reached an advanced stage. However, in view of the impossibility fulfilling the expectations of the Management Board and the Supervisory Board, which became increasingly evident under the circumstances, and after careful consideration involving the accompanying banks and consultants, the decision was made to initially hold off and wait for conditions on the stock market to improve.

With the outbreak of war in Ukraine in February 2022, the prospect of the stock market environment remaining bleak for the time being was foreseeable. The start to the war brought severe consequences for people and markets in Europe and across the globe. Endeavours to secure the supply of energy, to curb the steep uptrend in energy procurement prices, and rampant inflation left their indelible mark on society as a whole. Against this backdrop, it also became clear that no change for the better was imminent on the stock market environment and no prospect of it returning to calmer waters either in the months ahead to an extent that would permit planned IPO of weclapp SE.

While the Supervisory Board addressed these factors of influence and, in close collaboration with the Management Board, assessed the impact on the 3U Group's operations, the Management Board and the administration discussed the idea of not pursuing an IPO for weclapp but of contacting private equity and strategic investors instead. The Supervisory Board was required to devote meticulous attention to this matter over long periods of the financial year 2022.

A few months after cancelling the IPO, and in close collaboration between the Management Board and the Supervisory Board, the company successfully concluded an exceptionally viable and lucrative transaction for HOLDING AG through the sale of the shares held in weclapp SE. This transaction was only made possible through the dedicated cooperation of our company's supervisory and executive bodies and all its employees. At this point, the Supervisory Board would like to give special thanks to all the members of the Management Board and to the employees.

Aside from this, the operating measures coordinated and ratified by the Supervisory Board proved conducive to promoting the continuing lines of business in achieving further revenue and earnings growth despite an economic and political environment which was not always advantageous.

Against this background, and mindful of the extensive challenges from the geopolitical and business environment, the Supervisory Board also performed its duties under the law and the Articles of Association of continuously monitoring the Management Board

in the latter's management of the company and regularly consulted with the Management Board on this task in the financial year 2022 as well. The Supervisory Board was able to satisfy itself that the measures were lawful, appropriate and correct at all times. The Management Board fully complied with its duty to provide information and reported to the Supervisory Board regularly, promptly and comprehensively in written and verbal form about all issues pertaining to strategy, planning, business development, the risk situation, risk development and compliance relevant to the company and the Group. This also included information about deviations in actual performance from previously reported targets and divergences in business performance from planning. At all times, the members of the Supervisory Board had ample opportunity to critically examine the reports and resolution proposals submitted by the Management Board and to contribute their own suggestions. In particular, the Supervisory Board engaged in intensive discussions on all business transactions of importance to the company on the basis of written and oral reports from the Management Board, which the Supervisory Board reviewed for plausibility. On several occasions, the Supervisory Board addressed company's risk situation, liquidity planning and the equity situation in detail. The Supervisory Board granted its approval to individual business transactions to the extent required by law, the Articles of Association and the bylaws applicable to the Management Board.

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

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

Meetings and participation

By way of resolution passed by the Annual General Meeting on 25 May 2022, the Supervisory Board was extended to include four seats. Michael Schmidt, spokesman of the Management Board for many years, was elected by the shareholders as a further member of the Supervisory Board. Since that time, the Supervisory Board has consisted of four members.

A total of six Supervisory Board meetings were held in the 2022 financial year (24 March 2022, 6 April 2022, 25 May 2022, 16 August 2022, 9 December 2022 and 29 December 2022), 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 6 April 2022, 25 May 2022 and 9 December 2022. In the other meetings, the Supervisory Board deliberated without the participation of members of the Management Board.

The Supervisory Board has formed an Audit Committee pursuant to Section 107 of the German Stock Corporation Act (AktG). Stefan Thies is Chairman of the Audit Committee, the other members being Ralf Thoenes and Michael Schmidt. The Audit Committee is tasked in particular with monitoring the effectiveness of the internal control system (ICS) and of the financial reporting process, as well as overseeing the audit of the financial statements (here in particular the impartiality required of the auditor).

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 measures in the various affiliated companies and discussed these in depth with the Management Board.

The deliberations between the Supervisory Board and the Management Board, along with internal discussions at Supervisory Board level, concentrated especially on revenue, performance and the development of business in the weclapp SE subgroup. Closely connected with this, emphasis was placed on preparations for the initial prospect of listing the weclapp subgroup on the stock exchange and, this not having taken place in view of the critical market environment, on weclapp SE's successful sale to an international software group. The Supervisory Board kept itself directly informed at all times about transactions in this context and was available for discussions with investors on topics relevant to the Supervisory Board. In close cooperation with the Management Board, it advised the Management Board in particular on the ongoing transaction process. These activities also pertained specifically to coordinating the extensive contractual documentation requiring approval by the Supervisory Board.

The strategic development of the Group after separating from the cloud computing business in weclapp SE, which was its focus for many years, formed the main topic of the deliberations in the third and fourth quarter of the financial year 2022, here especially the development of the e-commerce business line as another potential IPO candidate.

The Supervisory Board also engaged intensively with the divestment of 3U HOLDING AG's shares in the property in Würzburg (InnoHubs).

In the Renewable Energies segment, the Supervisory Board deliberated on further plans for continuing operations and on structuring the facilities for power generation, specifically the potential repowering of the wind farm, but also on the possibilities of optimised selling operations. Various options were examined and intensively discussed by the Supervisory Board together with the Management Board. In particular, considerations on the further strategic positioning of the business played a key role in this context.

Other focal points of discussion included the development of trading via e-commerce in the SHAC (Sanitary, Heating and Air Conditioning Technology) segment, here with an emphasis on the development of the measures initiated to enhance efficiency and improve margins, as well measures to secure advantageous procurement in view of the ongoing difficulties in supply and price terms and conditions.

The Supervisory Board also consulted in detail on developments in the telephony companies. Importance was attributed to data centre capacity utilisation and equally to expanding the new Managed Services business line.

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.

In the first half of the year, the Supervisory Board also discussed changes in personnel relating to 3U HOLDING AG's executive and supervisory bodies as Michael Schmidt, founder and long-term spokesman of 3U HOLDING AG's Management Board, laid down his office at the end of the Annual General Meeting for health reasons. Administration discussed the possibility with Michael Schmidt of switching to the Supervisory Board in order for the company to benefit from his know-how in the future as well. Administration then put forward a proposal to the Annual General Meeting to extend the Supervisory Board to four members. The shareholders approved the motion and subsequently elected Michael Schmidt to the Supervisory Board. Furthermore, the Supervisory Board reappointed Christoph Hellrung to the position of Chief Financial Officer. Uwe Knoke took up office as the Board member responsible for strategy and business development. The Management Board operates as a collegial body. The position of a spokesman or chairman was not assigned. The Supervisory Board thanks all those involved for their successful commitment to the 3U Group 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. As briefly outlined, the Supervisory Board formed an Audit Committee. This notwithstanding, the individual members on the Supervisory Board have been allocated certain remits and regularly report in meetings on developments in their specific areas. In performing these tasks, the Supervisory Board debates not only the relevant issues, but also consults on efficiency aspects, as well as on how the process can be supplemented and improved. If appropriate, subsequent implementation is initiated.

The German Corporate Governance Code recommends that the Chairman of the Supervisory Board should be prepared to discuss issues specific to the Supervisory Board with investors within an appropriate framework. The Chairman of the Supervisory Board fulfilled this task in the financial year now elapsed, particularly in the context of divesting weclapp SE, 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 2022 financial year by Bonn-based auditing company Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft which was mandated with auditing the financial statements for the financial year. The audit confirmed that the company's Management Board took the measures required by Section 91 (2) of the German Stock Corporation Act in an appropriate manner and that the current monitoring system is suitable for the early detection of developments that could jeopardise the company as a going concern.

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

The remuneration system, drawn up by the Supervisory Board in accordance with Section 162 of the German Stock Corporation Act and approved by the Annual General Meeting 2021 by a large majority, has proven its worth in the opinion of the Supervisory Board. The Annual General Meeting 2022 which approved the remuneration report based on this remuneration system concurred with this opinion. Further adjustments to be presented to the Annual General Meeting 2023 for resolution take account of the changed circumstances following the sale of weclapp SE.

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 2022 in detail, and derived the necessary consequences. In March 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 on this basis. The Declaration of Conformity is permanently available for viewing on the website of 3U HOLDING AG (www.3u.net) under the "Investor Relations/Corporate Governance" heading.

In addition, the Management Board also reports on corporate governance at 3U HOLDING AG also for 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 2022 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 2022 annual financial statements at company and at Group level

Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Bonn, were selected as auditors by the Annual General Meeting on 25 May 2022 and were commissioned accordingly by the Supervisory Board to audit the annual financial statements at Company and at Group level. The statement of independence required from the external auditor was requested and obtained by the Supervisory Board.

The annual financial statements of 3U HOLDING AG, prepared in accordance with the provisions of the German Commercial Code (HGB), and the consolidated financial statements prepared in accordance with IFRS, together with the combined management report for the financial year 2022, were audited by the independent auditor which issued an unqualified audit opinion respectively. The aforementioned documents and the independent auditor's reports were made available to all members of the Supervisory Board in a timely manner and discussed in detail in the financial statements meeting on 6 April 2023. 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 2022; 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 contribution and commitment in the financial year 2022.

Marburg, 6 April 2023

The Supervisory Board



Ralf Thoenes, Chairman

Highlights

January 2022

- **Top rated: OMR puts weclapp in the league of the seven best ERP systems**

The OMR platform, one of the leading German-speaking producers and publishers of reviews, product coverage and arrangers of events encompassing digital marketing and digital products, puts weclapp in the league of the seven best ERP systems for small enterprises. Based on numerous, above-average ratings by the user community, weclapp was awarded the title of “top rated” in the “ERP Systems” category by OMR Reviews.

February 2022

- **weclapp wins the German B2B Award 2022**

As part of this year's German B2B Award, weclapp is given top marks in all categories of the B2B study conducted by the Deutsche Gesellschaft für Verbraucherstudien (German company specialising in consumer studies). The results of the study show that the customers surveyed view weclapp as one of the best ERP systems. weclapp occupies first place in the “Price-Performance Ratio” category, thereby taking its place as industry champion.

- **The weclapp Group's annual recurrent revenue (ARR) exceeds the EUR 15 million mark**

The annual recurrent revenue (ARR) of the weclapp Group (weclapp SE including its subsidiaries ITscope GmbH and FinanzGeek GmbH) exceeds the EUR 15 million mark for the first time. More than 7,000 customers in over 30 countries are meanwhile using the weclapp Group's cloud-based platforms.

March 2022

- **A fresh wind blowing: Renewable Energies segment off to a good start to the year 2022**

Our Renewable Energies segment reports a good start to the year 2022. Following 2021 when wind volumes were exceptionally low, wind electricity generation in the months of January and February 2022 was around 100 % higher than in the first two months of 2021 and almost 40 % above the long-term average of power yield. At 3U, the technical availability of the wind farms remained unchanged at a high level averaging around 99 %. We sell the electricity generated to utility companies. The management team secures advantageous conditions for electricity supplies from a number of wind farms in 2022 – also partly already for 2023 – which will allow average earnings that exceed the former feed-in remuneration to be generated.

April 2022

- **Michael Schmidt resigns his seat on the Management Board**

Effective at midnight on 25 May 2022, Michael Schmidt laid down his office as a member of 3U HOLDING AG's Management Board on health grounds. At the same time, pursuant to Section 100 (2) item 4 of the German Stock Corporation Act (AktG), Michael Schmidt submitted a proposal for election to the Supervisory Board. The Supervisory Board welcomed this proposal and, with this in mind,

also put forward an application to the Annual General Meeting to extend the Supervisory Board to four members. In this context, the Supervisory Board intended to reappoint Christoph Hellrung, currently weclapp SE's Chief Financial Officer, as a member of 3U HOLDING AG's Management Board.

- **Topping out ceremony for the InnoHubs building project**

In August 2021, a groundbreaking ceremony marks the start of construction work on the new InnoHubs building complex. On 28 April 2022 we celebrate with the topping out ceremony, as scheduled. Fitting out the interior had already reached an advanced stage, with other installations, from IT through to plumbing and fire protection and onto roofing and paintwork, now progressing at an accelerated pace.

May 2022

- **3U HOLDING AG's Annual General Meeting elects Michael Schmidt to the Supervisory Board**

This year's Annual General Meeting takes place in a virtual format again and was broadcast live via the Internet. It lays the ground for extensive changes to the company's organs.

The shareholders approve an amendment to the Articles of Association pertaining to the expansion of the Supervisory Board to four seats. Also by a large majority, they elect Michael Schmidt, 3U HOLDING AG's founder and long-serving Chief Executive Officer, to the Supervisory Board. Michael Schmidt lays down his office as the company's CEO, effective midnight on the day of the Annual General Meeting.

The Annual General Meeting vote virtually unanimously in favour of the proposal put forward by the Management Board and the Supervisory Board to pay dividend of EUR 0.05 per share for the financial year 2021.

Directly after the Annual General Meeting, the Supervisory Board in its previous composition appoint Christoph Hellrung to 3U HOLDING AG's Management Board where he will once again assume the position of Chief Financial Officer.

Recordings of the Management Board's speech and of responses to questions can be downloaded from YouTube and from our homepage at www.3u.net.

June 2022

- **InnoHubs project successfully completed**

We take advantage of the gratifying progress of construction and the high volume of space already sold in Würzburg to realise the associated increase in value through a sale and to bring this project which is aimed at fostering an exchange between industry and science to a successful conclusion. From an overall standpoint, the proceeds considerably exceed 3U's expenses.

- **Voice retail business secured for another two years**

Telekom Deutschland GmbH and VATM (Association of Telecommunications and Value-Added Service Providers) agree to enable the network provider selection ("Call-by-Call" and "Preselection") to continue through to the end of 2024. The predecessor agreement had a termination date of 31 December 2022.

3U as we know it today had its origins in the voice retail business. This business model was a key success factor in the early years when 3U was starting up. Even now demand for this service is still relevant, albeit in a downtrend: We were therefore particularly pleased that, contrary to our expectations, Voice Retail can now continue to contribute to our company's success for another two years.

July 2022

- **weclapp presents its first Annual Report 2021, with a complete, audited set of consolidated financial statements and a group management report**

weclapp SE presents its annual report for the year 2021 in July, thus making results for the weclapp Group also available for the first time.

August 2022

- **Repowering application submitted for the Langendorf wind farm**

Subsidiary 3U ENERGY PE GmbH submit an application to Burgenlandkreis, a district in Saxony-Anhalt, for authorisation in accordance with the German Federal Immission Control Act regarding the partial repowering of its Langendorf wind farm. The plans envision the construction of five wind turbines each with a nominal output of 6.2 MW. The measures will serve to virtually treble the park's energy yield on a sustainable basis despite the reduction in the number of wind turbines. An additional yield of around 72,000 MWh per year is anticipated.

- **Selfio adds to its offering by including online planning software**

Selfio GmbH expands its product and advisory portfolio by including an online underfloor heating configurator. For the first time customers can now plan their underfloor heating projects themselves using the online configurator at fussbodenheizung-konfigurator.selfio.de. This measure also enables Selfio to reinforce its position as a leading online supplier of high quality underfloor heating systems.

September 2022

- **3U HOLDING AG sells its stake in weclapp SE**

3U HOLDING AG signs an agreement with a subsidiary of the Exact Group B. V., Delft, the Netherlands, on the sale of all of its shares in weclapp SE. The divestment assumes an equity value of EUR 227 million for 100 % of the shares. 3U HOLDING AG held around

71% of the company's shares. The transaction is brought completion before the end of September 2022. 3U HOLDING AG realises a considerable increase in value through exiting weclapp SE. The Management Board and the Supervisory Board consider enabling shareholders to participate in the successful transaction by distributing appropriate dividend for the financial year 2022.

- **Sale of shares in InnoHubs GmbH completed**

Over the course of September, 3U HOLDING AG's shares in InnoHubs GmbH are sold to Würzburg-based co-shareholder WüWi Beteiligungsgesellschaft mbH. Earnings from this real estate project are therefore fully realised prior to completion. This project therefore also contributes to successfully achieving 3U's strategic goal of raising its value for its stakeholders.

- **3U TELECOM GmbH expands its customer base in Managed Services**

3U TELECOM GmbH wins IT system and product provider Portal Systems AG as a customer in its Managed Services business: The extensive service package agreed covers managing the IT environment of the server infrastructure and the network right through to the individual workstation where 3U TELECOM will ensure the high availability of all notebooks, PCs, peripheral devices and telecommunications solutions. 3U TELECOM is also entrusted with data and information security. Commissioning by an established IT system and product provider shows that, with this new "Managed Services" range, 3U has strategically set the right course for future growth. As part of the ITC segment, the Managed Services business model with its key components of "3U Managed Desktop", "3U Managed Private Cloud", "3U Managed Public Cloud" and "3U Managed Network" ensures recurring revenue, whose share in 3U TELECOM's revenue is set to increase significantly in the future.

October 2022

- **3U share in the sample portfolio of the "Depot Champ 2022" competition**

DER AKTIONÄR, a stock market magazine, organises the "Depot Champ 2022" competition in the fourth quarter of 2022. Three financial experts battle it out with a credit limit of EUR 5,000 to be invested over a period of three months. The 3U share was the first equity to be included in the sample portfolio of Lars Winter, BÖRSE ONLINE's vice-editor-in-chief, and are subsequently sold at a later date. Winter wins the competition by a margin of 16.4 %.

- **Letter to our shareholders**

We inform our shareholders about what currently moves and shakes us in a letter at the end of October. You can find our letter in the news section of our website under the "Investor Relations" heading.

November 2022

- **Quarterly figures: high proceeds from divestment and strong organic growth**

3U HOLDING AG brings the third quarter of 2022 to an extremely successful close. Two Group shareholdings, namely InnoHubs GmbH and weclapp SE, both of which have undergone extremely successful development in recent years, are divested at a profit, thereby achieving a considerable increase in value. These transactions generate a high cash inflow, reflected in an amount of EUR 189.61 million in cash and cash equivalents as of 30 September 2022 (31 December 2021: EUR 12.72 million).

- **Post the weclapp sale: The Management Board and the general managers join forces to work on a strategic direction for operations.**

The high level of funds received from company disposals in the third quarter enable investments in strengthening existing business activities and in the Group's future strategic direction. Members of the Management Board and of management of the holdings form work groups to draw up potential growth objectives. In this context, 3U continues to pursue its corporate purpose of raising its value in the interest of all its stakeholders. The options for strengthening organic and inorganic growth are the subject of discussion and ongoing review.

December 2022

- **2018 Share Option Plan marks start to the exercise phase**

The 2018 Share Option Plan for employees and managers in the Group of 3U HOLDING AG enters into the exercise phase in December 2022 upon expiry of the four-year vesting period. For some subscribers to the first tranche of the scheme, launched in December 2018, the first exercise window opens from 7 to 9 December 2022.

The exercise price for the option rights amounts to EUR 1.24 per share. The company's share capital will be increased to the extent that holders of option rights exercise their options. The new shares participate in profit as from the beginning of the financial year for which, at the time when the option rights are exercised, no resolution of the Annual General Meeting has yet been passed on the appropriation of profit.

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 AG
Initial listing	26 November 1999
Registered share capital in EUR as of 31 December 2022	EUR 35,829,682.00
Registered share capital in shares as of 31 December	35,829,682
Share price as of 31 December 2022*	EUR 4.14
Share price high in the period from 1 January to 31 December 2022*	EUR 4.33 (25 November 2022)
Share price low in the period from 1 January to 31 December 2022*	EUR 2.08 (12 May 2022)
Market capitalisation as of 31 December 2022	EUR 148,334,883.48
Earnings per share (undiluted) as of 31 December 2022	EUR 4.50

*Xetra closing price, last day of trading in 2022 was 30 December 2022

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.

After the 2018 Share Option Plan for employees and managers in the group of 3U HOLDING AG had reached the exercise phase in December 2022 upon expiry of the four-year vesting period, the number of shares in circulation rose to 35,829,682 units as of 31 December 2022 (before exercise: 35,314,016 units). The exercise price for the option rights amounted to EUR 1.24 per share.

General market development

Shortly after the start to the stock market year 2022, namely by 5 January 2022, the DAX as Germany's leading index had already peaked for the year at 16,272 points. From this time onwards, the overall stock market trend was characterised by price losses. Fears about inflation and an economic recession, the economic impact of the Russia-Ukraine war, concerns about tensions between China and Taiwan, and the ongoing COVID-19 pandemic caused the DAX to fall below 12,000 points by the end of September 2022. After bottoming out at 11,976 on 29 September 2022, the DAX staged a slight recovery in the fourth quarter, closing the year at 13,924 points and reflecting a loss for the year of -12.3 %.

Both the European Central Bank and the US Federal Reserve raised interest rates in several stages throughout the year 2022. For the first time since March 2016, the ECB raised the key rate by 50 basis points to 0.50 %, effective 27 July 2022. Three further interest rate hikes followed, the last on 21 December 2022, to 2.50 %. In the US, the Fed raised key rates by 50 basis points in seven steps, the last on 15 December 2022, to 4.50 %. The global turnaround in interest rates resulted in losses reported on stock markets across the globe in the stock market year 2022.

The most definitive event in 2022 occurred on 24 February 2022 when Russia began its attack on Ukraine. The consequences for the energy supply and the energy price trend in Europe are keenly felt by all people and markets. The sanctions imposed at a prior date against Russia and as time went on led to a recalibration of the sales and procurement markets of many industrial and services sectors, which was also reflected in the development of the world's stock markets. For instance, Russia's isolation also resulted in Russian shares being excluded from well-known indices such as the MSCI All Country World. Russian shares ceased to be tradable on the West's stock exchanges as from the start of March 2022.

In economic, political, and also in terms of society, the year 2022 was again impacted by the coronavirus pandemic and the measures taken to combat it. Although the situation caused by the pandemic eased at the end of the year in Germany, Europe, as well as on a global scale, China's new political reorientation caused uncertainty. The impact on the Chinese health care system and on its population of a transition from a zero-Covid policy with its draconian lockdown to a policy of largely unrestricted freedom of movement remains to be seen. A potential further burdening of the supply chain for products and services from China resulting from this change in policy cannot yet be gauged and harbours uncertainty for the global economy and the development of the global stock markets.

In 2022, as in the two preceding years, 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 indirectly affected. As is known, the global supply chains of many products and parts had suffered disruption or constraints 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 5 % over the course of the year, thus outpacing German and international indices. At the start of the year, the 3U share sustained losses mirroring the overall stock market, a trend which was exacerbated by the start of the Russia-Ukraine war. weclapp SE's initial public listing anticipated by the capital market appeared inopportune in this unfavourable market environment, which put further pressure on the share price trend. The lowest point of EUR 2.08 was reached on 12 May 2022, around 50 % below the previous year's closing price (30 December 2021: EUR 3.95).

The announcement of the sale of the stake in weclapp SE on 3 September 2022, and the associated significant increase realised in the company's value, was also reflected in the price trend of the 3U share. The share price regained the level of the year-earlier closing price, and more than compensated for the losses sustained over the course of the year to date. The sale of the shareholding in weclapp SE was completed on 30 September 2022 upon receipt of the selling price. The Management Board and the Supervisory Board reaffirmed their intention of enabling shareholders to participate in this success through an appropriate dividend payout, which also contributed to an upbeat share price trend. Accompanied by in-depth information and communication of 3U HOLDING AG's strategic direction at conferences, such as the Equity Capital Forum in Frankfurt, or by way of letter from the Management Board to the shareholders at the end of October 2022, the 3U share reached its highest point for the year of EUR 4.33 on 25 November 2022. The 3U share subsequently stabilised at a high level and declined only marginally throughout the remainder of the year to close at EUR 4.14. Profit-taking as a contributing factor is likely to have been as responsible for this as well as the global correction of the stock markets, in particular the technology sector.

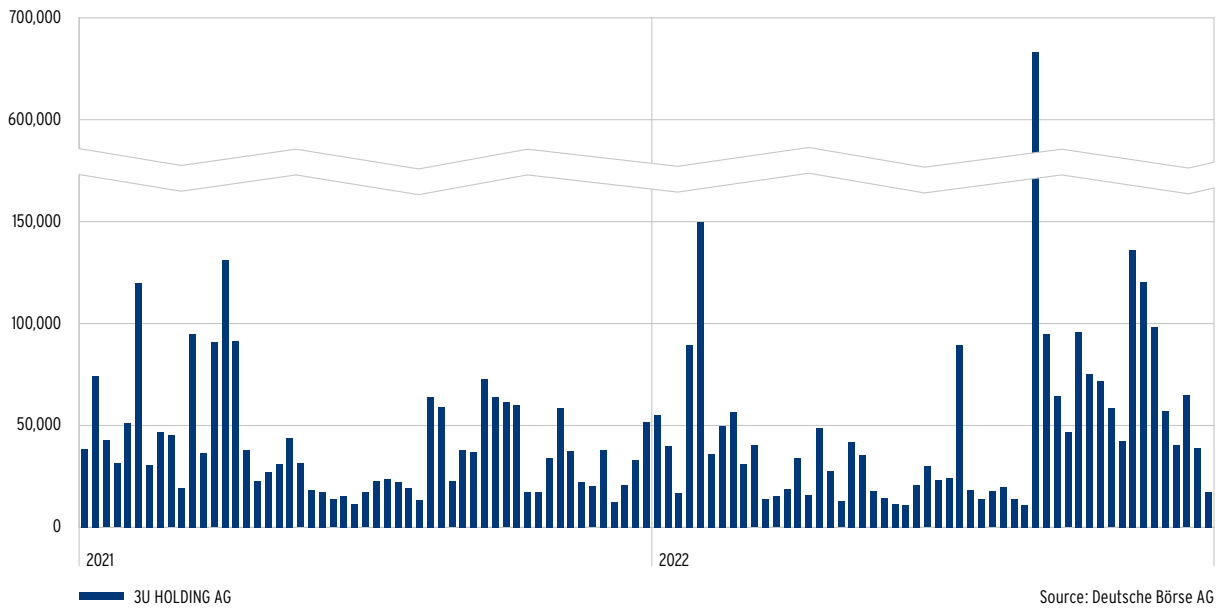
Performance of the 3U share* from 1 January through to 31 December 2022 compared with the Prime All Share Index



*Xetra daily closing price

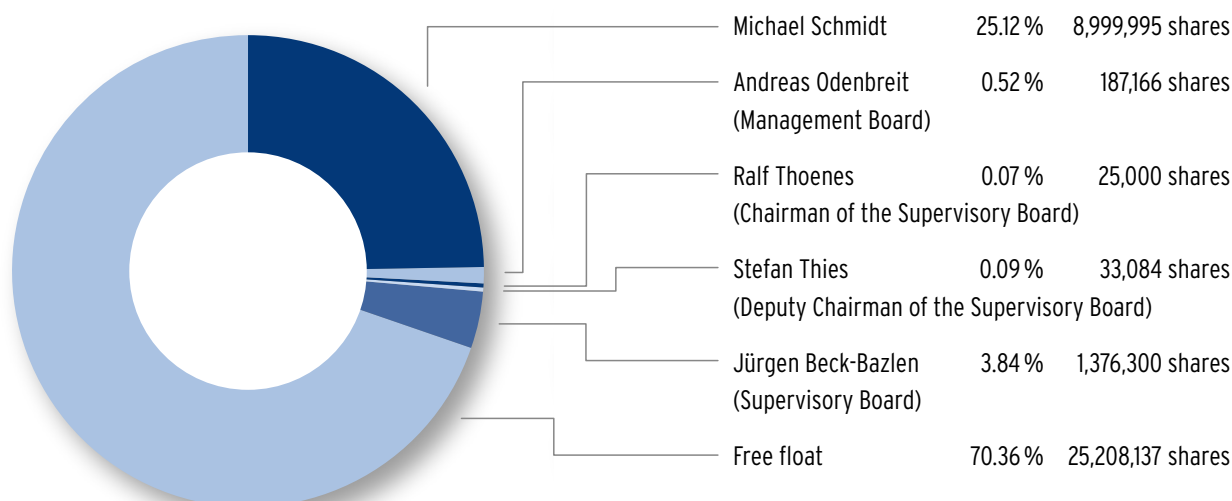
Measured by quantity, the 3U share's liquidity increased substantially in tandem with the volume-weighted turnover of the 3U share. The latter metric improved by 43.6 %, from EUR 34.16 million in 2021 to EUR 49.04 million in 2022. A high trading volume sends an important signal to investors for their purchase decisions. Having many buyers and sellers makes it easier to buy or sell shares without the price being significantly impacted. A high liquidity lowers the risk inherent in a share as it can contribute to mitigating price fluctuations.

**Trading volume of the 3U share from 1 January 2021 to 31 December 2022
(average daily trading volume of the share per week)**



At the start of the current year 2023, the 3U share price declined initially to EUR 4.00 through to the end of January. It subsequently rebounded and, by the editorial deadline for this section of the annual report (end of February 2023), had approached its long-term high of EUR 4.33, accompanied by ongoing high volumes.

Shareholder structure as of 31 December 2022



Events after the reporting period

Following the end of the reporting period, further share options from the 2018 Share Option Plan were exercised by managers and employees. The number of total voting rights therefore rose to 36,359,014.

Members of the Executive Board and of the Supervisory Board also participated in the exercise or acquired shares on the market. The shareholder structure as of 31 January 2023 had therefore changed as follows:

Management Board:

Andreas Odenbreit (0.51 %, 187,166 shares),
 Christoph Hellrung (0.46 %, 166,666 shares),
 Uwe Knoke (0.17 %, 60,000 shares).

Supervisory Board

Ralf Thoenes (Chairman, 0.07 %, 25,000 shares),
 Stefan Thies (Vice Chairman, 0.09 %, 33,084 shares),
 Michael Schmidt (25.12 %, 9,166,661 shares),
 Jürgen Beck-Bazlen (3.80 %, 1,376,300 shares).

The Executive Board and the Supervisory Board together hold a total of 30.29 %, equivalent to 11,014,877 shares.

Free float stands at 69.79 %, equivalent to 25,444,137 shares.

As of 1 February 2023, 577,000 shares had been issued but not exercised. Further detailed information is included in the remuneration report and in the notes to the consolidated financial statements.

Investor Relations

In the financial year 2022, we continued to consistently implement our successful capital market strategy. The Group's strategic direction essentially consists of concentrating on successful business models in the ITC, Renewable Energies and SHAC segments. In these endeavours 3U focuses on the megatrends of digitalisation, renewable energies 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 2022. We report on 3U and the megatrends we engage in under the slogan of "Success in Megatrends", 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.

A total of 23 press releases were distributed in the financial year 2022, including three insider information disclosures within the meaning of Article 17 of the EU's Market Abuse Directive. The number of subscribers to our newsletter totals 464, with a slight fluctuation observed over the course of the year. The LinkedIn profile, newly set up in the previous year, registered gratifying growth from 110 to 361 subscribers. We published 45 postings in 2022, 87 of which were commented on or shared by LinkedIn users. Our report on a repowering application elicited a huge response in the media. Along with 8,000 direct contacts to LinkedIn users (impressions), the topic was also addressed by the national press, including the *WirtschaftsWoche* and *DIE ZEIT*, and commented on in reporting.

Four interviews in total with Börsenradio (the stock market radio) supplemented our communication campaign in the financial year 2022. These interviews are also accessible as an audio stream at www.3u.net.

We continued the broad-based research coverage in the financial year to give investors to a diverse overview 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 2022 are as follows:

Analyst	Last update	Recommendation	Share price target in EUR
SMC Research (Dr. Adam Jakubowski)	15/11/2022	Buy	5.60
GSC Research (Jens Nielsen)	15/11/2022	Buy	5.70

Our Annual General Meeting, held in a virtual format again on 25 May 2022, 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 shareholders approved an amendment to the Articles of Association pertaining to the expansion of the Supervisory Board to four seats. Similarly by a large majority, they elected Michael Schmidt, 3U HOLDING AG's founder and long-serving Chief Executive Officer, to the Supervisory Board. Michael Schmidt laid down his office as a member of the Management Board, effective midnight on the day of the Annual General Meeting.

The interest, also of institutional investors, continued unabated and was even keener in 2022. Company representatives participated on behalf of 3U HOLDING AG in a total of five conferences held both virtually and requiring physical attendance. We were represented at the three-day German Equity Capital Forum in Frankfurt by two Management Board members and two IR staff members and presented the company to domestic and international investors in one-on-one meetings that took place partly in parallel. A video recording of the podium presentation by Management Board members Christoph Hellrung and Uwe Knoke is also available on YouTube.

In 2023, 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: This remains the focus of our communication – and our aspiration.



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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. 3U HOLDING AG 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.

The company 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 Group companies.

In accordance with its articles of association, 3U HOLDING AG’s business model comprises the acquisition, management and the sale of participating investments in national and international companies, along with the administration of its own assets.

3U’s activities are largely focused on Germany, as well as on neighbouring European countries.

The company’s core business is currently largely combined under the segments of ITC (Information and Telecommunications Technology), Renewable Energies and SHAC (Sanitary, Heating and Air Conditioning Technology).

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

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

The Group companies operating in the Telecommunications business provide services in the areas of voice retail, voice business and data centre services and operation. The Voice Retail business offers private fixed-line users a range of products for cost-effective and reliable connections. Business customers (Voice Business) use the voice termination products (wholesale, resale), meaning the running of traffic to receivers of calls over 3U’s own next generation network, along with several value-added services.

The growing demand for 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 operation and active support of IT environments or virtual servers (Infrastructure-as-a-Service (IaaS)), and also make space available for setting up servers (collocation).

The new Managed Services offering was launched on the market in the financial year 2022. In providing these services, 3U addresses the megatrend of digitalisation, in particular in the segment of German SMBs. Customers outsource the responsibility for their entire communications and data infrastructure, including cloud administration, cyber security and managed desktop services (managing and maintaining terminals and virtual work environments) to the 3U team. This service offering is expected to make a major contribution to the segment’s future revenue and earnings growth.

Aside from the technical infrastructure, achieving business success in this segment especially depends on winning and keeping qualified employees and successful marketing and sales activities.

The Cloud Computing segment, operated as part of the weclapp SE subgroup through to the end of the third quarter of the financial year 2022, has meanwhile been sold. All the shares held by 3U were sold to an international software group. This business is therefore no longer currently represented within the 3U Group.

3U engages in the Renewable Energies segment as the owner and operator of wind energy and photovoltaic plants. The significant improvement in political framework conditions in 2022 has brought developing new wind farm projects back into focus. The company owns the rights to various wind energy projects in the Federal State of Brandenburg which are now to be developed further under improved framework conditions. Success in this segment is nevertheless contingent at present on weather conditions, along with the technical quality and availability of the respective facilities. A similarly important role is played by the conditions under which utility companies purchase the electricity generated and for the selling via electricity exchanges, along with regulatory intervention into electricity markets, examples being a cap on selling prices and skimming.

3U is remunerated for the power produced by the Adelebsen Solar Park in accordance with the feed-in tariff under the German Renewable Energies Act (EEG). Contracts for delivering and selling electricity have been concluded for the wind energy facilities, with terms and conditions based on achievable market prices.

In entrepreneurial terms, growth can currently be achieved first and foremost through acquiring or building other generating capacities. To this end, an application for the partial repowering of our Langendorf wind farm was submitted in the financial year 2022. Some of the wind farm's existing wind turbines are to be replaced by more powerful ones, with the aim of trebling the volume of electricity produced. The commissioning of new facilities depends on the process of obtaining approval and construction and is anticipated for the first half of 2025.

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

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.

In addition, the segment's revenue growth can be accelerated by extending the range of products and services, in particular by introducing innovative products for climate-neutral heating.

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

Main locations

The various businesses of 3U HOLDING AG's Group operate out of several locations. The registered office of the parent company is Marburg. From here the parent company provides holding services for the companies and operates its business of acquisition, administration, along with the sale of participations and managing its own assets.

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

In the financial year 2021, a large part of the SHAC segment relocated to the new distribution centre with extensive office premises in Koblenz. e-commerce operations are based in Bad Honnef.

The portfolio of wind farms in Lower Saxony, Mecklenburg-Western Pomerania and Saxony-Anhalt are managed from Marburg. The Adelebsen photovoltaic plant is also located in Lower Saxony.

Data centres are operated in Hanover, Berlin and Marburg.

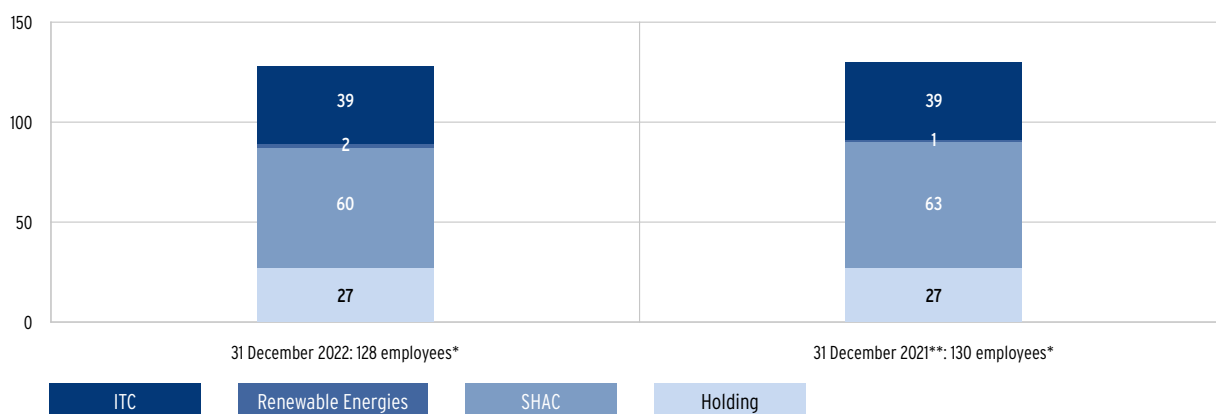


Employees

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

As of 31 December 2022, the 3U Group employed a workforce of 143 people (including Management Board members, temporary employees and part-time staff; 31 December 2021: 311 persons). Following the sale of the weclapp SE subgroup, effective 30 September 2022, this company's workforce of 187 employees departed from the Group.

Converted into full-time equivalents, the 3U Group employed 128 persons at the end of the year. As of 31 December 2022, 130 persons were deployed in continuing operations (full-time equivalents, excluding Management Board members). The workforce is distributed among the individual segments as follows:



*Full-time equivalents

** As of 21 December 2021, 147 persons were deployed in discontinued operations (full-time equivalents) assigned to the ITC segment (31 December 2021: 186 persons in total).

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

Ultimately, fostering dedication and commitment is also aimed at employee retention. 3U attaches special importance to retaining and safeguarding the experience and skills which employees contribute, that they gain through their activities and put at the disposal of the customers and the company. Loyalty to 3U is additionally strengthened through a range of measures focusing on social aspects. The fluctuation rate continued to fall in the financial year 2022. Only 3.6 % of the employees left the company at their own request (2021: 6.7 %). The most frequent reasons for resigning from the employment relationship include temporary

employment contracts coming to an end and the amicable termination of the working relationship.

Promoting the health of the employees

3U has based its understanding of health on the definition of the World Health Organisation (WHO) as being physical, mental and social wellbeing. Following on from the previous year, the COVID-19 pandemic necessitated special measures in the financial year 2022 as well, albeit within a more limited scope than in the year-earlier period.

With a view to sustainably protecting and fostering the health of our employees, targeted measures are implemented in the Group. The Group supports its employees' health care. In addition, employees have the option of participating in internal and external training and continuous professional development.

Regular training measures are aimed at increasing safety at the workplace. As in previous years, no employee suffered lasting damage to their health from an accident at the workplace in the financial year 2022. The number of sick leave days per employee nevertheless rose to 14.7 (2021: 9.3 days of sick leave per employee).

Management and control system

The 3U Group's structure and organisation are subject to continuous review and improvement. Ongoing adjustments to the organisation structures ensure clear accountability. Responsibilities within the monitoring, planning and management system are thus clearly defined. The monitoring and planning system essentially consists of management information on a monthly basis 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 and control 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.

General conditions

The year 2022 was indelibly marked by Russia's attack on Ukraine launched in February 2022. The consequences for energy supply and for the general development of prices are keenly felt by all people and markets in Europe and across the globe.

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

The economy in 2022 was also dominated again by developments of the COVID-19 pandemic and by the legislative and executive measures enacted to combat it. As in the previous financial year of 2021, the 3U Group was unable to fully decouple from the impact. 3U HOLDING AG's Management Board took extensive precautionary measures to safeguard the employees, issued instructions on hygiene and restrictions on contact throughout the Group and offered permanent access to testing. Working from home also remained an option if compatible with operational requirements.

Aside from these exceptional factors of influence, the business models of 3U's three 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 extensively subject 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. High levels of business activity generate a relatively large volume of calls, for instance, which continue to be handled to a large extent via fixed line in the business environment. Working from home placed greater demands on data centres and line capacities.

General conditions pertaining to climate policy and incentives in the construction sector and, by association, also in the owner-builder, renovator and DIY segments, tend to boost demand for heating and air conditioning technology which 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 2023 and partly beyond have been integrated into this section.

Development of the macroeconomic environment

Despite the economic consequences of the war in Ukraine and the growing skills shortage in the third year of the COVID-19 pandemic, Germany's economy continued to recover. The price-adjusted gross domestic product rose by 1.8 % in 2022, following on from growth of 2.6 % in 2021. The German economy therefore succeeded in leaving the deep slump in the first year of the coronavirus crisis in 2020 far behind.

Price-adjusted gross value added also increased by 1.9 % in 2022 compared with the previous year. Some service sectors benefited from catch-up effects following the lifting of most measures to combat the coronavirus. The information and communications industry resumed its long-standing growth trajectory and reported significant expansion (+3.6 %). The shortage of materials and skilled labour, high building costs and increasingly deteriorating financing conditions in the construction industry resulted in a decline in gross value added (-2.3 %).

In its current annual economic report, the German government assumes a slight uptick of 0.2 % in the price-adjusted gross domestic product for the year 2023. In doing so, the government shows greater optimism than in its 2022 autumn forecast. A severe recession, regarded as inevitable by many analysts over a longer period, is showing no signs of materialising.

The economic recovery anticipated in 2022 after the lifting of restrictions from the pandemic was braked by the economic consequences of the Russia-Ukraine war. Despite this adverse influence, the labour market proved to be generally stable. Unemployment and underemployment (excluding short-time work) declined substantially by an annual average of 7 % in Germany, by around 0.195 million to 2.418 million people. The German labour market's stability is also reflected by the fact that less use was made of the instrument of short-time work. According to an initial estimate of the German Federal Labour Office (BfA) statistics, the number of persons on short-time work in 2022 averaged around 0.43 million, following on from 1.85 million in 2021 and 2.94 million in 2020.

In 2022, the inflation rate rose to higher levels than in previous years. By January 2022, the inflation rate that was running at 4.9 % had already significantly exceeded the 2021 annual average of 3.1 %. The rate peaked in October at 10.4 %, and subsequently declined slightly to 8.6 % towards the end of the year. The average inflation rate stood at 7.9 % in 2022. According to the German Federal Statistical Office (Destatis), high inflation was driven above all by the prices of energy products and food soaring since the start of the war in Ukraine. In 2022, the price of energy products climbed steeply by 34.7 % compared with 2021 when they rose by 10.4 %. The uptrend in energy prices slowed again towards the end of the year. Following +38.7 % in November 2022, prices had increased by +24.4 % in December 2022 in a year-on-year comparison. The electricity price index reached an annual average of 286.3 (electric current, supplied to special contractual customers) in 2022, up from 149.6 in 2021.

In an effort to ease the burden of this development on companies and private individuals, the German government initiated three so-called "relief packages". These packages comprised numerous measures, such as heating cost subsidies, the payment of a one-off energy price lump sum, lowering the energy tax on fuel for three months, cheaper tickets for local public transport and a temporary lowering of the VAT rate on gas and district heating to 7 % until the end of March 2024.

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

Uncertainty regarding economic data and expectations prevailed at the end of the financial year 2022: The ifo economic forecast of 14 December 2022 referenced a supply shock caused by bottlenecks in the supply of energy, difficulties in the supply of commodities, upstream products and goods, along with a growing lack of skilled labour. At the same time, the demand for goods and services was still running strong which, according to the assessment of companies surveyed by the ifo Institute since the start of the year, resulted production capacity shortages in the German economy. The high prices are likely to lead to consumer demand cooling over the six months of winter and only pick up momentum again as from the spring of 2023.

According to the ifo business climate index, economic sentiment has brightened somewhat despite further reservations. The index climbed to 90.2 points in January 2023, following on from 88.6 points in December 2022. Companies were somewhat less satisfied with current business. That said, fewer companies started off the year 2023 with a fundamentally pessimistic outlook. In the manufacturing sector the index took an upward leap. Companies consider the current situation more positively, and the expectations for the first half of 2023 have brightened. The order backlog remains in a downtrend but is still running at a high level. Production is set to rise in the coming months.

The business climate in the services sector has improved and the index has risen. Although this sector of the economy is hallmarked by dissatisfaction with current business, service providers were more optimistic about the months ahead. Trading companies' expectations also improved. Companies continued to assess the current situation as moderately upbeat.

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 options and the scope of equity financing depend on the valuation of 3U HOLDING AG's equity. 3U HOLDING AG's value as a listed company is measured by its share price performance on the stock exchange. Bucking the trend on the overall market, 3U HOLDING AG's share gained around 5 % over the course of the financial year 2022 and emerged from trading at EUR 4.14 on 30 December 2022. This trend evidences investors' sustained interest in the development of the 3U Group's business. The prospect of acquiring further funds by way of cash capital increases therefore appears favourable, as before, although the current cash position suggests there is less of a need for this. The share price performance going forward depends on numerous factors of influence, and ultimately also on developments in the general stock market environment.

The stock market overall was characterised by price losses in the financial year 2022. Fears about inflation and recession, the economic impact of the Russia-Ukraine war, concerns about tensions between China and Taiwan and the ongoing coronavirus pandemic sent the DAX down to below 12,000 points at the end of September 2022 compared with around 15,900 at the start of the year. This downtrend was also exacerbated by the interest rate turnaround of the European Central Bank initiated in July 2022. However, the fourth quarter saw a slight recovery in the DAX which closed the year at 13,924, which nevertheless reflects a loss for the year of 12 %. The TecDAX as Germany's technology shares index shed more than 25 % over the same period as investors, rattled by sustained macroeconomic uncertainty and rising interest rates, were keener to sell technology and growth stocks.

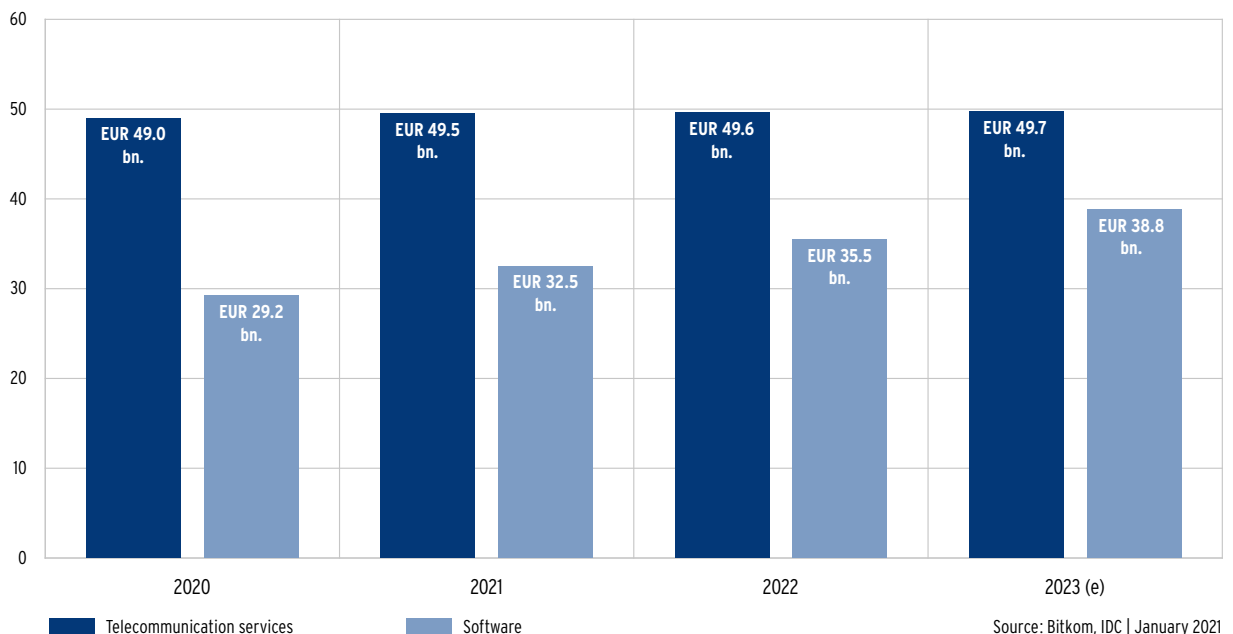
In terms of its share, 3U HOLDING AG strives to achieve a fair market valuation at an attractive level by providing transparent and regular information for market participants. The resolutions passed by the 3U HOLDING AG's Annual General Meeting authorise the Management Board to place shares from "Authorised 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. In its last meeting on 15 December 2022, Council of the European Central Bank took the decision to raise the three ECB key rates by 50 basis points each. Accordingly, the interest rate for main refinancing operations, as well as those for the marginal lending facility (discount window) and the deposit facility rose to 2.50 %, 2.75 % and 2.00 % respectively, effective 21 December 2022. At an earlier stage, the ECB Council's interest rate turnaround in 2022 was heralded through three interest rate hikes in July, September and November. Furthermore, the ECB has announced its intention of adjusting all instruments within the scope of its mandate of ensuring that the inflation rate returns to the target value of 2 % in the medium term.

Development of conditions in the segments

ITC segment

Measured by total sales, Germany's market for information and telecommunications technology (ITC) grew by 4.0 % to EUR 196.1 billion in 2022. The number of those employed stood at 1.31 million persons, compared with 1.26 million in 2021. The Bitkom ifo business climate index, regularly calculated and published by the industry association Bitkom e. V. (Bitkom), currently shows a level that is higher than the economy as a whole, as it has done for years. At the turn of the year, this level had settled at 16.1 points (December 2021: 25.3 points). Bitkom expects sales in the ITC market of more than EUR 200 billion in the financial year 2023 (estimate for 2023: EUR 203.4 billion).



The industry association Bitkom anticipates that revenues in the information technology submarket (hardware and software services) are set to rise by 6.3 % to EUR 126.4 billion in 2023 (2022: EUR 118.9 billion). According to this forecast, sales in the software segment will grow by an above average 9.3 % to EUR 38.8 billion (2022: EUR 35.5 billion). However, growth in the telecommunications submarket is somewhat more moderate with an increase of 0.8 % to EUR 69.5 billion (2022: EUR 68.9 billion). Bitkom is expecting slight growth of 0.1% to EUR 49.7 billion in the telecommunications services segment (2022: EUR 49.6 billion).

Managed Services

Against the backdrop of this environment, the megatrend of digitalisation is boosting the prospects of the market and the sector while bolstering 3U's strategy and may facilitate the achieving of 3U's ambitious corporate goals. 3U's growth strategy for this market is based on organic growth as well as the option of acquiring of suitable companies.

Digitalisation is a topical and crucial issue for Germany's SMBs. Generally speaking, digitalisation is progressing swiftly, but is still rudimentary in many locations, with no blanket coverage and not disseminated evenly across all sectors. Many middle market

companies have a great deal to catch up on and are still using paper-based processes, for instance, or have not established any digital sales channels. When asked by the German Chamber of Industry and Commerce about the greatest challenges of digitalisation, companies cited lack of time (37 %) and the high costs (34 %) as the two biggest hurdles. In the opinion of these companies, the high costs of implementing digitalisation projects are due to the complexity entailed in switching their corporate processes. Difficulties in the search for qualified IT professionals also present a considerable challenge in embracing digitalisation.

IT service providers which advise SMB's in particular in planning and procuring their IT environments are reaping great benefit from digitalisation as a megatrend. Bitkom predicts revenue growth of 3.8 % for the IT market overall and of 4.7 % for the submarket of IT services in the current year 2023. The underlying demand insofar as it stems from SMEs continues to be mainly covered by a large number of local providers, specifically system houses, which is the market segment addressed by ITscope GmbH. 3U is now increasingly targeting this market segment in its ITC segment. In the opinion of management, sustained consolidation pressure observed in the system house sector opens up additional potential for acquiring competitors. Customers and prospective buyers from the group of small and medium-sized system vendors also continue to show interest in the possibilities 3U technologies offers for enhancing efficiency.

Telecommunications

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 2024. The extent to which this agreement will be extended beyond the 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.

According to a study on the German telecommunications market by the VATM and Dialog Consult published in third quarter of 2022, the revenues generated through telecommunications services in 2022 increased by approximately EUR 0.8 billion in total compared with 2021, to EUR 60.3 billion up from EUR 59.5 billion. This growth benefited both mobile and fixed-line operators whose revenues rose from EUR 32.2 billion to EUR 33.6 billion.

In addition, the increase in call connection minutes observed back in 2020 also continued in 2022. People were using the telephone more. The number of daily telephone minutes rose from 965 million to 978 million. OTT service providers (over-the-top services such as Zoom, Skype, WhatsApp and others) saw usage rise to 231 million call connection minutes a day in 2022 (2021: 227 million minutes a day), while calls from mobiles amounted to 456 million minutes a day (2021: 443 million minutes a day). Fixed line telephone activity declined slightly to 291 million minutes per day (2021: 295 million minutes per day).

In 2022, the price of telecommunication services for fixed line, Internet and mobile for private households in Germany dropped marginally below the previous year's level. According to the survey of the German Statistical Federal Office (Destatis), the consumer

price index for telecommunications services in December 2022 with 93.4 index points settled 1.1 percentage points below the level posted in December 2021(94.5 index points).

According to a study commissioned by VATM, revenues generated through service call numbers (including call-by-call and preselection numbers) declined significantly to EUR 436 million in 2022 (2021: EUR 491 million). These full-year estimates were published in October 2022.

Renewable Energies segment

Political conditions

One of the greatest challenges of the 21st century is to secure a reliable, economical and environmentally compatible supply of energy. On the back of further endeavours to cover power generation increasingly through renewable energies, the renewable energy sources of solar, wind, water and biomass produced 8 % more electricity in 2022 than in 2021. At 244 TWh, the proportion of renewable energies in public net power production amounted to 50 % compared with 46 % in 2021 when 226 TWh was generated. Wind energy produced 124.5 TWh in 2022, approximately 10 % above the volume generated in 2021. Wind energy was nevertheless the most powerful source of energy, followed by brown coal, solar, hard coal, natural gas, biomass, nuclear energy and hydropower. Photovoltaic plants generated around 57.6 TWh of electricity in 2022. Of this volume, around 52.6 TWh was fed into the public grid, with 5 TWh being used by the plants themselves. Production has risen by 19 %, equivalent to 9.2 TWh, year on year.

The German government made the following unambiguous statement in its 2023 annual economic report: Expanding renewable energies has become all the more urgent due to the pledge to end crude oil imports from Russia. With investments in expanding new facilities ramped up, flanked by developing and harnessing new technologies, the proportion of renewable energies is set to rise tangibly again in the coming years. Along with lower greenhouse gas emissions, the German government is also aiming to reduce Germany's dependence on energy imports from non-EU countries. The German Renewable Energies Act (EEG 2023) and the country's Offshore Wind Energy Act were extensively amended, among others, in 2022. The principal of renewable energies being in the overriding interest of the public and of security in the future was anchored in these acts. Among other measures, renewable energies expansion goals were raised to the extent that the target objective of achieving virtually complete greenhouse gas neutrality in the power sector can be achieved by the planned phase-out of coal-fired power generation without compromising the power supply. In 2030, the German government anticipates gross demand for electricity of 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.

In order to achieve the binding two-percent target land area by 2032 as prescribed under the Act on Determination of Area Requirements for Onshore Wind (Windenergieflächenbedarfsgesetz, WindBG), a great deal more land will need to be allocated. To date, 0.81 % to 0.91 % of the area has been allocated, which is not sufficient for achieving the interim goal defined by the German government of 1.4 % of the country's land through to 2027. While some of Germany's federal states are already achieving their interim targets today, most federal states still have to set aside more land to achieve this target. The state liberalisation clause (Länderöffnungsklausel) setting out provisions governing minimum distances between wind energy facilities and residential construction is now linked to achieving the objective.

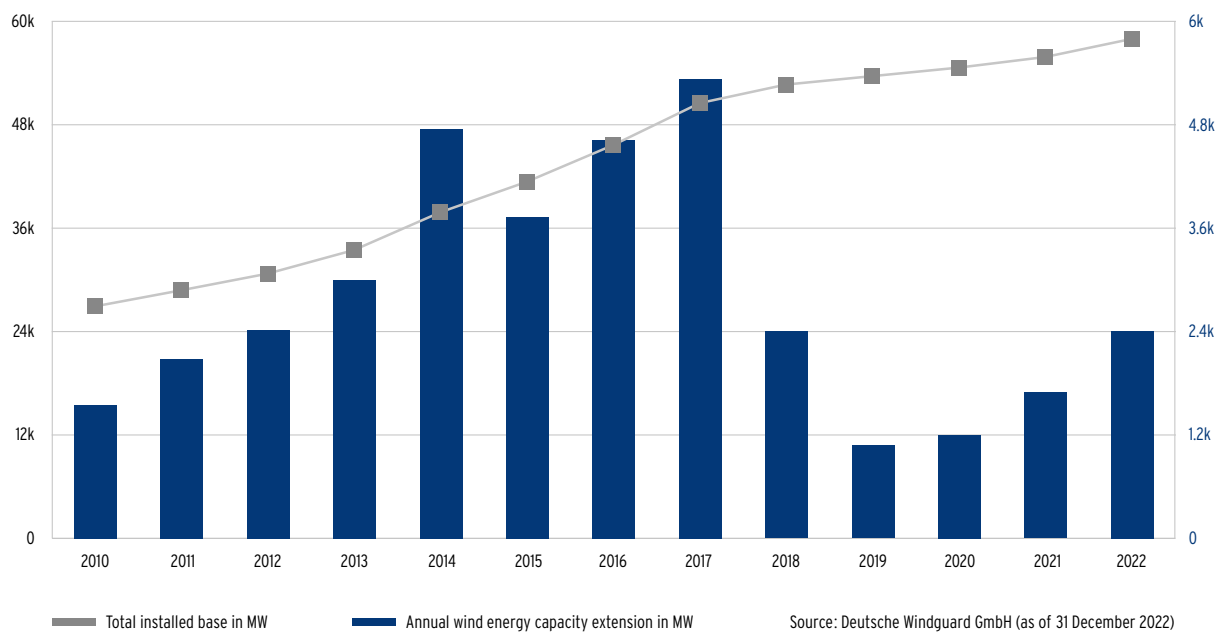
In 2022, net onshore installation of 2.4 GW was higher than initially expected and also exceeded the previous year (2021: 1.7 GW). Nevertheless, installations need to be rapidly stepped up to achieve the German government's climate targets: Calculations show that, to meet this goal, 7.1 GW of onshore wind capacity will need to be installed per year over the next eight years.

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.

Meanwhile, with effect from 1 February 2023, the legal basis at federal state level of limiting wind energy use through “exclusion planning with suitable areas” no longer applies. The Federal State of Brandenburg has announced its intention of switching regional planning to “supply planning with priority areas” and of swiftly changing the former directive for the five regional planning municipalities. Until binding rules are available, the existing project developments will be conserved in a suitable manner and adjusted to the current circumstances with a view to quickly resuming project developments. Pursuant to WindBG, the Federal State of Brandenburg is under obligation to allocate land for wind energy of 1.8 % by 31 December 2027 and of 2.2 % by 31 December 2032. The Federal State of Brandenburg assumes that wind energy facilities had been commissioned on 1.4 % of the land by the end of 2022.

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

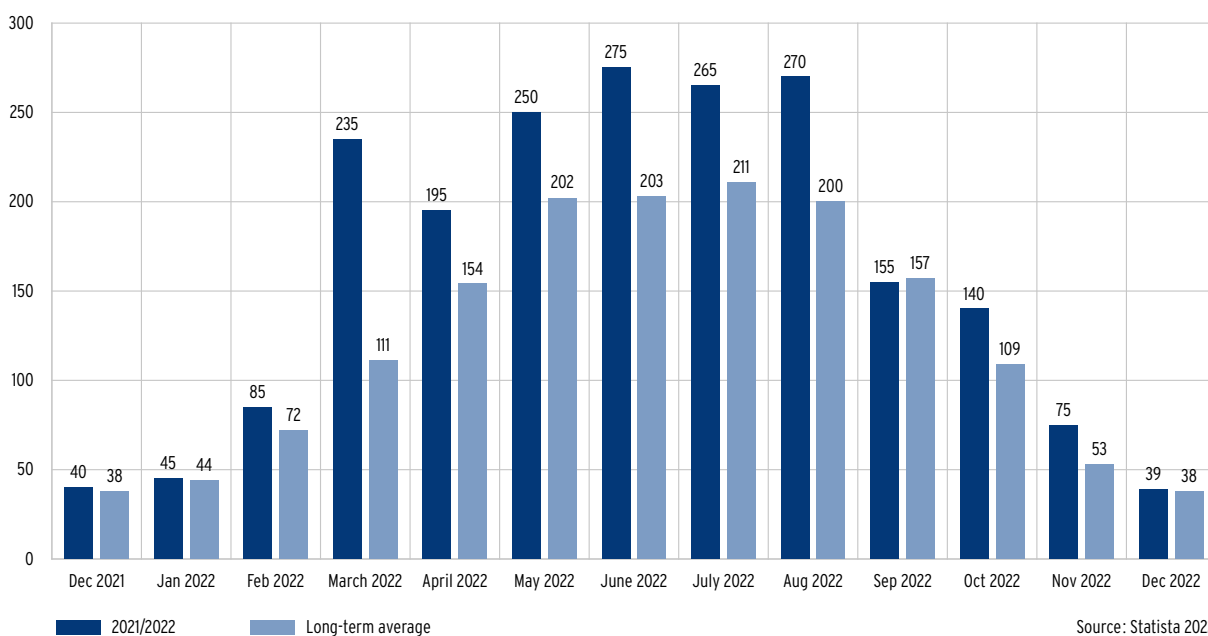


Weather conditions

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.

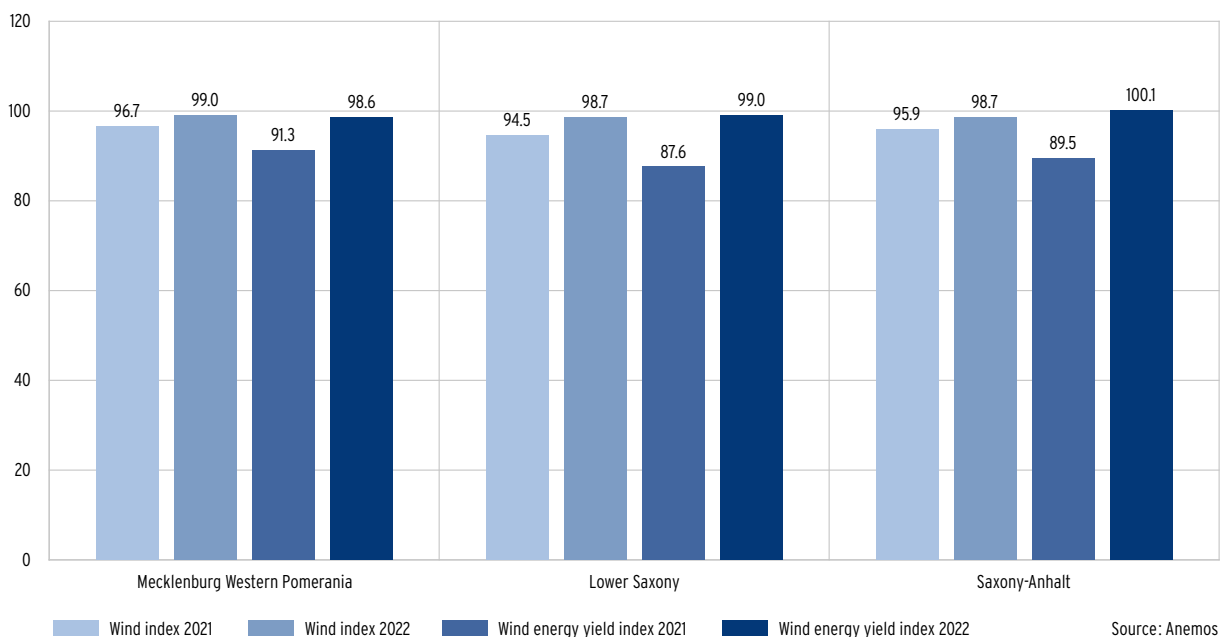
Irradiation in Germany came in at 2,029 hours in the financial year 2022 (2021: 1,650 hours) and was thus 30.6 % above the multi-year average of 1,554 sunshine hours and 23.0 % higher than the year-earlier figure.

Average monthly sunshine in Germany in December 2021 to December 2022 (in hours)



The levels of wind in 2022 were much stronger compared with the weak wind in 2021. Following the exceptionally high wind month of February and strong winds in April, only two months dropped below the index figure of 75 %. Expressed as an average for Germany, the wind index rose from 95.2 % in 2021 to 98.6 % in 2022. The wind yield index also increased to 99.0 % (2021: 88.7 %).

Wind and energy yield index (in percent)



General business conditions

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

The increase in electricity prices benefited 3U when concluding new power purchase agreements, permitting a level exceeding the formerly applicable contractual compensation to be achieved. 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. Improved conditions for power purchase agreements were also concluded from 1 January 2023 for the Roge and Klostermoor wind farms compared with the previous year. An agreement on selling the electricity produced by the Langendorf wind farm was concluded at the prices prevailing respectively on the market.

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 the sanitary equipment. This applies to owner-builders, renovators and DIYers, as well as to tradespeople and construction companies who order Selfio GmbH online products and seek advice and support.

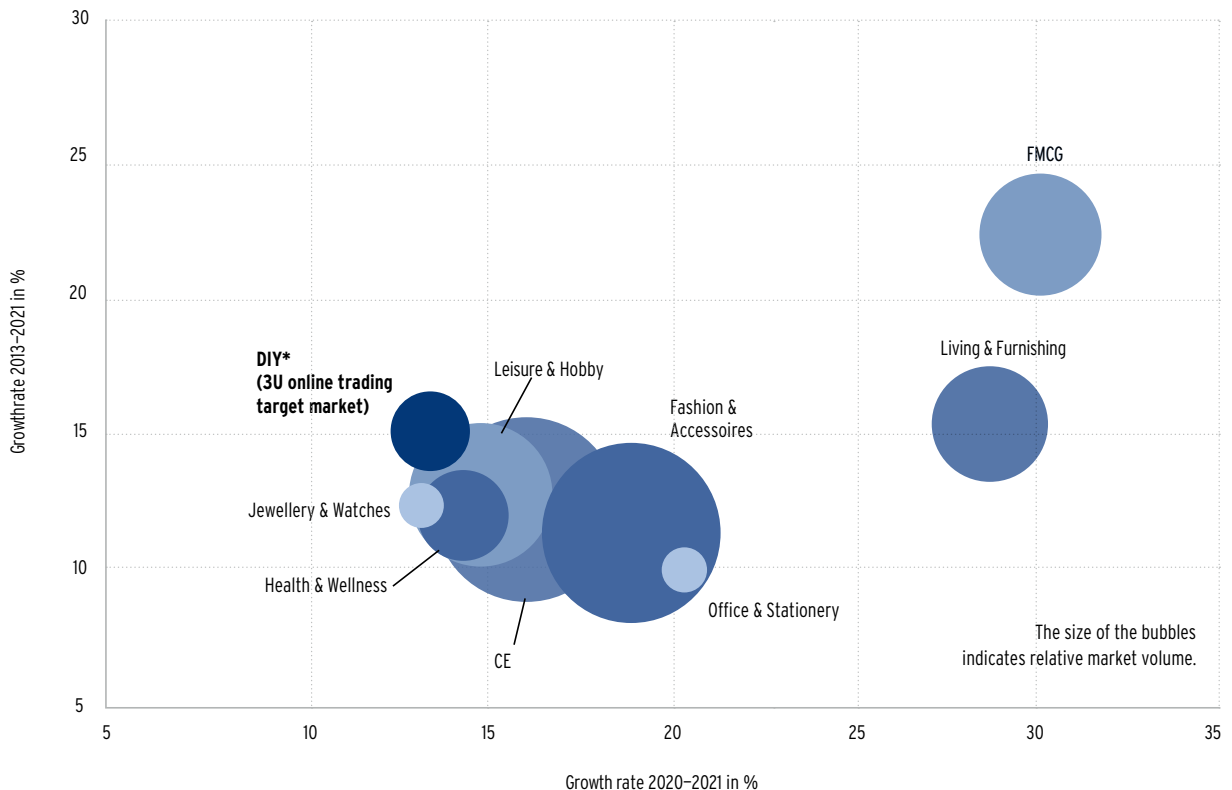
General business conditions

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. Supply and transport bottlenecks, accompanied by growing demand, translated into prices rising sharply in production and for imported intermediate goods.

The construction industry is also exposed to these overarching factors. In the first eleven months of 2022, the construction industry's real order intake dropped -8.2% compared with the year-earlier period. Although, in November 2022, nominal sales had settled at EUR 11.6 billion on the back of the sharp increase in construction prices, marking a year-on-year increase of 11.5%, this nevertheless corresponded to a price adjusted decline of 4.7%.

The shortfall in industrial and primary products, and the resulting price hikes, were not only detrimental to the manufacturing and construction industries but also to trade. e-commerce in Germany posted significant growth again in 2021 compared with the previous year, reflecting another considerable increase of EUR 14 billion (19%) to EUR 87 billion. The "Home and Garden" do-it-yourself segment delivered a sales volume of EUR 3.7 billion. The share of online sales across all sectors totalled 4.3%, with the proportion of total online sales in the Home and Garden segment advancing to 8.6% (2020: 7.1%).

e-commerce growth rates by sector



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

Source: HDE Online-Monitor 2022

Moreover, it is noteworthy that the former trend towards online shopping with foreign suppliers is a thing of the past for now. The sales of foreign suppliers came in at EUR 5.4 billion in 2021 (2020: EUR 7.0 billion), marking an overall decline. The reasons cited for this development include the abolition of the VAT threshold, Brexit, and less positive experiences made in orders placed with foreign online suppliers. While, at mid-year, the Central Association of the German Retail Trade (HDE) assumed growth in e-commerce for 2022, albeit at a slower rate, stationary retail was less optimistic. This was particularly the case for segments which depend on industrial primary products. In the first nine months of 2022, Germany's DIY sector reported a significant increase of 10.5 % in sales to EUR 17.0 billion compared with the previous year's period. However, as the sector's association BHB points out, base effects from the phases of various lockdowns in the previous year need to be factored in here. A comparison of the third quarter with the year-earlier period is more informative: During this period, the sector achieved sales growth of 2.3 % to EUR 5.5 billion. Product lines encompassing renovation (keyword: energy-efficient renovation) also developed well in the double-digit range, along with the subsegment of heating and sanitation.

Aside from this current market development, BHB's optimism for the medium- and long-term future nevertheless remained unchanged: With its exceptionally versatile product portfolio, the sector will always remain the most important point of contact for people wishing to improve the energy efficiency of their homes.

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 is to be entirely greenhouse gas neutral by 2045. In this context, the buildings sector is an area of emissions that is still a long way off from achieving the German government's climate targets. For this reason, the German government is under obligation to launch further immediate programmes 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 %). Under the 2021 European Climate Law, the European Union has committed to higher climate targets for 2030 and 2050. By the year 2030, at least 55 % of greenhouse gas emissions are to have been saved compared with 1990. In 2021, the EU Commission submitted "Fitfor-55", the most comprehensive package of legislative proposals on climate policy in the history of the EU, which is currently undergoing the legislative process between the EU Council of Ministers and EU Parliament. The objective of climate neutrality was announced by the EU for the year 2050.

In this context, the German Energy Saving Ordinance (ENEV), the Energy Savings Act (EnEG) and the Renewable Energies Heat Act (EEWärmeG) were combined under the German Buildings Energy Act (GEG) 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. This key instrument for subsidising building renovation was revised in a reform in the summer of 2022 and at the start of January 2023 and was even more rigorously aligned to conserving energy, climate protection, and thus also to energy independence. Under the reform, installing heat pumps which use natural refrigerants or for which water, soil or sewage are used as a source of heat are encouraged through incentives. Furthermore, incentives for comprehensive renovations were introduced for serial renovation as well as for the worst performing buildings. Under the reform, approvals worth around EUR 13 billion for renovation measures are possible in 2023. To respond to the shortage of tradespeople, material costs for work are also subsidised as from January 2023.

Adopting a proactive approach, Selfio GmbH always informs its customers and interested parties about these measures and other concrete steps initiated by the German government.

46 Business development

Overview of most important events of the 2022 financial year.

ITC

At the start of the financial year 2022, preparations for the initial public offering of weclapp SE, long considered as a possible option for financing further growth, had reached an advanced stage. The draft of the prospectus had already reached the second round of reconciliation with the German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), and the disclosure notifying the capital market on the imminent step had already been prepared. However, global stock market valuations of peer technology and growth companies had entered a steep downtrend. The current stock market environment was reassessed on 17 January 2022 and discussed with the issuing banks and consultants. The Management Board came to the conclusion that the current stock market environment was not conducive to achieving the issuing proceeds envisaged, not even with high markdowns, and that holding off to wait and see what could transpire was initially advised. Following Russia's invasion of Ukraine on 24 February 2022, the stock market environment deteriorated further. Against this backdrop, 3U HOLDING AG released the information on 16 March 2022 that preparations for a possible listing of weclapp SE were to be shelved for the time being.

At the same time, tangible demand for acquiring weclapp SE in its entirety was nevertheless registered. The Management Board concluded that, as an alternative to listing on the stock exchange, the option of acquiring capital through selling to financial or strategic investors should also be investigated. While stock market valuations for technology equities did not improve to the degree hoped for, the executive management teams of weclapp SE and 3U HOLDING AG held meetings with more than ten interested investors. The negotiations were brought to a successful conclusion on 3 September 2022 when a purchase contract was signed with a financially strong international software group. As a result, the Cloud Computing business line in the form of weclapp SE left the group of consolidated companies on 30 September 2022.

The Telecommunications business in the ITC segment stabilised its revenue and improved its profitability. By concluding a new contract between Telekom Deutschland GmbH and VATM (Association of Telecommunications and Value-Added Service Providers) of which 3U is a member, the possibility of offering call-by-call and pre-selection numbers was extended by two years. On this basis, 3U will be able to continue to operate the Voice Retail business through to 31 December 2024. While demand in this business had entered a slight downtrend again, other offerings in Telecommunications, such as telephony for business customers, were in strong demand. 3U TELECOM's next generation network ranks among Germany's technological leaders in telephony networks. In the financial year 2022, the number of active customers was raised by twelve overall. The capacity utilisation of the data centres in Hanover and Berlin was raised by winning new customers, and the revenue in the Data Center Services business increased by around 50 %. The Managed Services business model was newly launched. Small- and medium-sized companies can have their entire information and telecommunications infrastructure supported and maintained by 3U. Judging by the first reference customers, an initially small but high-growth business is expected to gain a foothold here.

Renewable Energies

Strong winds in the first quarter of the financial year 2022 contributed to the segment's performance, as did the high level of irradiation during the summer months. Following the end of subsidies granted for wind power plants under the German Renewable Energies Act, advantageous power purchase agreements were concluded with energy supply companies in the financial year 2022, and also partly already for the financial year 2023. Furthermore, a monetisation option geared to prices prevailing in the electricity market prices was selected for 2023.

The development of the energy and especially the electricity markets, but also the improved political framework conditions, shed a much more attractive light on the Renewable Energies segment even compared with a few years ago. Against this backdrop, an application for the partial repowering of our Langendorf wind farm was submitted in the financial year 2022. Commissioning five new wind turbines should enable the wind farm's power production to be trebled as from the financial year 2025. 3U is currently investigating possibilities of further repowering projects, also regarding the other two wind farms.

SHAC

The pressure on homeowners is currently growing: In the years ahead, they will have to replace fossil fuel heating systems by technologies for heating with renewable energies. Thanks to its long standing experience in selling efficient heating systems, 3U e-commerce is well-positioned to accommodate this megatrend. To supplement the range of products offered by third parties via an online shop, an innovative heating system was developed in the SHAC segment and a patent applied for in the financial year 2022. The market launch should bolster both revenue and earnings growth as from the current financial year.

Rising demand already contributed overall to the SHAC segment's strong growth in the financial year 2022. The two large individual entities of Selfio GmbH and PELIA Gebäudesysteme GmbH considerably expanded their business. This growth was enabled, on the one hand, by passing on the steady increase in procurement prices for systems and components as well as, on the other, by expanding the product range and winning additional customers. As in previous years, selfio.de won several awards in surveys and market research, for its high level of customer friendliness, among other aspects. Selfio GmbH's advisory offering was supplemented by a useful online tool. The floor heating configurator, launched in the second half of the year, enables owner-builders and DIYers to plan the exact configuration of their floor heating projects themselves and to order the necessary material all in one go. Whereas supply difficulties experienced by manufacturers in 2021 were still a factor of constraint, this situation eased gradually over the course of the financial year 2022, which serves to facilitate the current systematic expanding of the product range.

Other Activities

The project for building and the commercialisation of a property for innovation and offices in Würzburg, driven by InnoHubs GmbH, a company in which 3U HOLDING AG holds a 75 % stake, was successfully completed in 2022. By mid-year, 3U had therefore sold its shares to the co-shareholder. Similar to the divestment of weclapp SE in particular, this project also enabled 3U HOLDING AG to fulfill its corporate purpose of creating value in the interest of all its stakeholders.

3U HOLDING AG

At the end of the day of the Annual General Meeting on 25 May 2022, Michael Schmidt, co-founder and long-term spokesman of 3U HOLDING AG's Management Board, laid down his mandate as a Board member. During the Annual General Meeting, the shareholders had elected him to the Supervisory Board in accordance with Section 100 (2) of the German Stock Corporation Act. Following the reappointment of Christoph Hellrung as 3U HOLDING AG's Chief Financial Officer and Uwe Knoke switching to the portfolio of Strategy and Business Development, the Management Board, consisting of three persons, has functioned as a collegial body since that time. The position of a Management Board chairperson and spokesman was not reinstated.

Comparison between forecasted and actual performance in the financial year 2022

In March 2022, the Management Board issued the following forecast for the financial year 2022: "The Management Board anticipates a double-digit 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 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 are 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, on the other, 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 due to the acquisition of companies by 3U HOLDING AG or other Group companies in the field of cloud computing, or from divesting operating units of the Group."

This guidance was reviewed on a number of occasions over the course of the financial year, including after the sale of weclapp SE and the shares in InnoHubs GmbH, and specified in a quarterly announcement for the first nine months of the financial year 2022 as follows:

"The Management Board now expects that the 3U Group will achieve revenues of between EUR 60.0 million and EUR 65.0 million. Sales revenue was previously anticipated within a range of EUR 65.0 million to EUR 70.0 million. Along with the deconsolidation of weclapp SE at the end of the nine-month period, a determining factor for the precautionary downward revision of revenue expectations pertains to current developments and expectations in the Renewable Energies segment. On the one hand, weaker wind yield was recorded in the third quarter, while the possibility of the German government shortly imposing price caps on power generation, also retroactively, cannot be entirely excluded. On the other, thanks to the successful transactions in the

third quarter, exceptionally high EBITDA of between EUR 165 million and EUR 170 million will be generated also for the full year (previously: EUR 10 million to EUR 12 million). Profit of the 3U Group is therefore anticipated in a range of between EUR 155 million and EUR 160 million (previously: between EUR 2 million and EUR 2.4 million)."

Actual performance as it stands accords with the detailed forecast. The revenue targets as laid down in the guidance were fully achieved, and EBITDA and the consolidated result were in line with the expectations communicated in November 2022.

General statement on the situation of the Group and the company

The net assets, financial position and results of operations within the Group of 3U HOLDING AG can be considered very good as of 31 December 2022. Following the parent company's successful divestment of weclapp SE and of the stake held in InnoHubs GmbH, and the resulting high level of other income, but also thanks to the generally satisfactory performance of the other operations, 3U HOLDING AG delivered an exceptional result in the financial year 2022. In terms of the financial position, the very high level of cash and cash equivalents is juxtaposed to a sharp increase in equity. The Management Board can look back on a very successful financial year 2022. The Board considers the company and the Group to be well equipped for further profitable, organic growth, with sufficient financial headroom for investments aimed at strengthening and expanding its business models. 3U HOLDING AG was in a position to satisfy its financial obligations at all times, which is also guaranteed in 2023.

Result of operations*

Result of the Group's operations

To facilitate comparison, and in accordance with IFRS 5, a differentiation has been made between the development of continuing operations and that of discontinued operations in 3U HOLDING AG's consolidated financial statements as of 31 December 2022. The presentation of discontinued operations comprises all revenue and earnings, along with all balance sheet items and cash flows attributable to the regular and extraordinary business transactions of the subgroup of weclapp SE sold as of 30 September 2022.

Consolidated revenue

As expected, consolidated revenue increased by EUR 6.71 million (12.0 %) to EUR 62.66 million in the financial year 2022, up from EUR 55.94 million in the previous year. Consolidated revenue comprises the revenue from discontinued operations (i.e. essentially of weclapp SE and its subsidiaries divested as of 30 September 2022) amounting to EUR 12.34 million (full year 2021: EUR 11.17 million). Continuing operations generated revenues of EUR 50.32 million, reflecting growth of EUR 5.55 million (12.4 %; 2021: EUR 44.77 million).

All three operating segments contributed in differing degrees to the organic revenue growth of continuing activities. The ITC segment lifted revenue by 0.5 %. The SHAC segment was hampered in the previous year by supply bottlenecks in the construction sector. Given that the supply situation gradually improved in 2022, 3U e-commerce recorded strong growth again and raised revenue by 16.9 % year on year. The Renewable Energies segment reported revenue growth of 14.5 %.

Continuing operations in the ITC segment contributed 24.1 % (2021: 27.0 %) to the revenues of continuing operations, while the Renewable Energies segment delivered 14.3 % (2021: 14.0 %) and the SHAC segment 62.6 % (2021: 60.2 %).

The amount of EUR 0.39 million in positive changes in inventory in the financial year 2022 (2021: EUR 0.29 million) principally results from wind farm project development. The slight increase in other own work capitalised results from proprietary software development services in the expansion of logistics activities in the SHAC segment, as well principally from software development services in the weclapp SE subgroup.

Other earnings of EUR 175.70 million were generated as follows: EUR 162.48 million from discontinued operations (in connection with the sale of weclapp SE) and gains of EUR 13.2 million from continuing operations (sale of the InnoHubs construction project). In 2021, the disposal of part of the Adelebsen property and of office space in the InnoHubs complex then under construction in Würzburg achieved income from continuing operations of EUR 6.86 million. Own work capitalised was incurred in the reporting year and in the previous year solely in discontinued operations.

The cost of materials for the Group as a whole rose by 12.5 % in comparison with the previous year. The expansion of the SHAC segment's business resulted in an increase in the cost of materials ratio (cost of materials as a percentage of sales revenue) in continuing operations to 64.8 % (2021: 64.5 %). Also across the Group, the cost of materials ratio has only edged up in comparison with the year-earlier period. The cost of materials ratio stood at 52.6 % compared with 52.3 % in the year-earlier period.

The Group's gross profit of EUR 206.63 million considerably exceeded that of the previous year (2021 gross profit: EUR 45.38 million). This increase is largely due to the contribution of discontinued operations. The gross profit of continuing operations climbed by 7.5 % to EUR 31.33 million (2021: EUR 33.86 million).

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

Research and development

Research and development in the 3U Group were exclusively conducted in cloud computing as part of the discontinued operations, namely in the companies of the weclapp SE subgroup until they were sold. Research and development costs in the reporting year pertain to the personnel costs incurred by employees in the development teams of these group companies. In addition, costs of other cost centres relating to internally generated software were included for the first time in the financial year 2022. During the period of belonging to the 3U Group, from 1 January 2022 until 30 September 2022, these costs amounted to EUR 3.02 million (full year 2021: EUR 3.09 million). No expenses for research and development are incurred in the continuing operations as part of the consolidated group.

EBITDA

Higher other earnings associated with the divestiture of the cloud computing business and of the InnoHubs construction project are offset by the high level of non-recurrent expenses in connection with the sale which are reflected especially in the personnel expenses as well as in other expenses of discontinued operations.

Personnel expenses from continuing operations declined marginally, from EUR 8.60 million in 2021 to EUR 8.25 million in the period under review. Accordingly, the share of personnel expenses in revenue (personnel expenses ratio) in these areas declined from 19.2 % in 2021 to 16.4 % in the financial year 2022. By contrast, personnel expenses from discontinued operations increased substantially: Whereas, in the financial year 2021, these expenses still stood at EUR 6.38 million (personnel expenses ratio 2021: 57.1 %), personnel expenses came in at EUR 11.35 million in 2022, corresponding to a personnel expenses ratio of 92.0 %. This ratio includes expenses for profit-sharing bonuses for the staff and management also of 3U HOLDING AG amounting to EUR 2.28 million.

By contrast, other operating expenses also for continuing operations declined slightly in the financial year 2022. They posted EUR 14.59 million compared with EUR 16.04 million in 2021. This decline was attributable to the lower level of expenses from the real estate development activities. Impairment of current assets resulted in an increase in costs. In view of the limited personnel resources in the Renewable Energies segment, new priorities were set regarding projects to develop wind farms in Brandenburg to be continued if appropriate. In this context, project development costs of EUR 1.59 million reported under current assets were written down (2021: no impairment of current assets).

Other operating expenses in discontinued operations include consultancy costs of EUR 2.32 million in connection with preparations for the sale of weclapp SE. All in all, other operating expenses came in at EUR 6.85 million (2021: EUR 3.09 million).

The event-driven higher expenses for personnel and for legal and other consultancy services are offset by extraordinary other income of discontinued operations. As a result, exceptionally high earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 165.59 million was generated at Group level in the financial year 2022 compared with the previous year (2021: EUR 11.27 million). Consequently, the consolidated EBITDA margin (EBITDA in relation to total output (revenue plus other income plus inventory changes plus own work capitalised)) at 69.1 % was extremely high compared with the 2021 figure of 15.1 %.

Conversely, EBITDA from continuing operations entered into decline due to a one-off impairment on wind energy projects. EBITDA in this business came in at EUR 8.49 million in the financial year 2022 (2021: EUR 9.21 million), corresponding to an EBITDA margin

of 13.3 % (2021: 14.7 %). Net of this impairment of current assets, adjusted EBITDA would have amounted to EUR 10.08 million, corresponding to an adjusted EBITDA margin of 15.77 %.

Group result

The depreciation and amortisation of property, plant and equipment which came in at approximately EUR 4.51 million, largely corresponding to the year-earlier level of around EUR 4.5 million, relate mainly to plants in the Renewable Energies segment (continuing operations). Depreciation and amortisation declined from EUR 3.91 million in the financial year 2021 to EUR 3.40 million in the reporting year, also due to the departure of InnoHubs GmbH from the consolidated group.

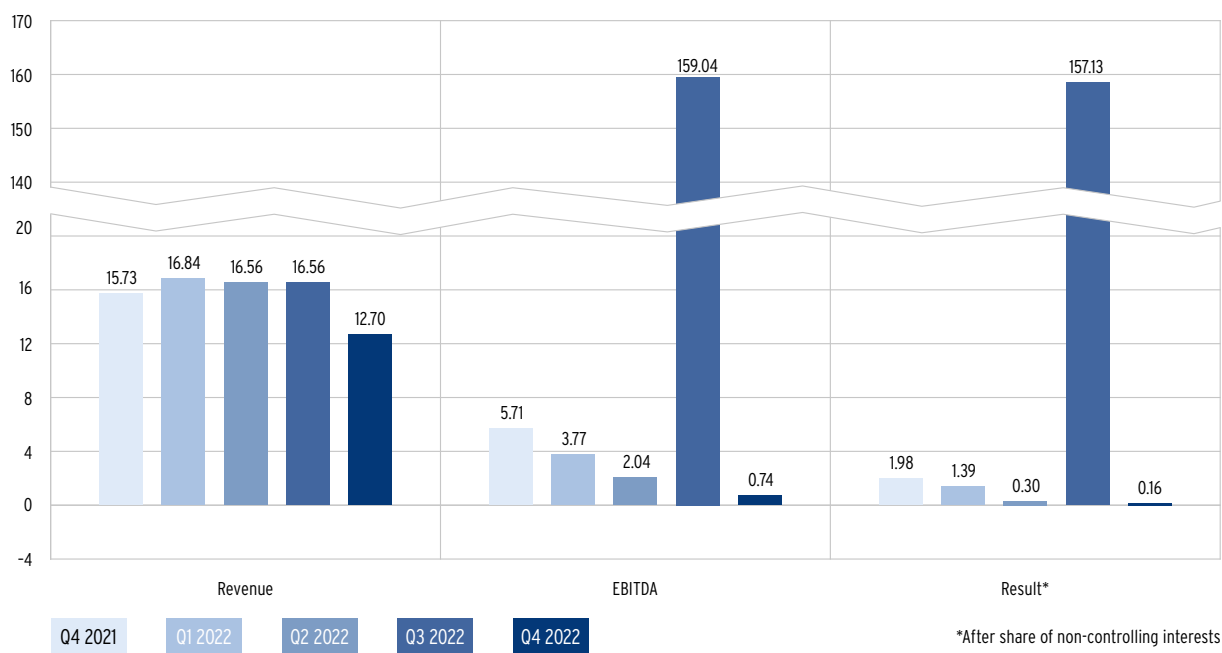
The financial result was higher at EUR -0.11 million, an improvement of EUR 0.36 million (2021: EUR -0.47 million). The interest-bearing investment of financial assets resulted in a positive financial result of EUR 0.05 million in continuing operations (2021: negative financial result of EUR 0.41 million).

Tax expenses of EUR 1.57 million were incurred at group level (2021: EUR 2.25 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 2022, the netting out of deferred tax assets and liabilities resulted in expenses from deferred taxes of EUR 0.72 million (2021: EUR 1.10 million). Current tax expenses of EUR 0.67 million were incurred in 2022 (2021: EUR 0.87 million). Continuing operations mainly accounted for the tax expenses which amounted here to EUR 1.39 million (2021: tax expenses from continuing operations of: EUR 1.97 million).

The result attributable to non-controlling shareholders decreased to EUR 0.41 million compared with the previous year's period (2021: EUR 1.13 million). The decline is largely due to the minority shareholders in weclapp SE and in InnoHubs GmbH leaving the Group.

In the financial year 2021, the portion of the consolidated result due to shareholders of the parent company stood at EUR 158.99 million in accordance with the revised guidance (2021: EUR 2.92 million). A result for the period (included therein) from continuing operations was attributable to the shareholders of the parent company in an amount of EUR 3.15 million (2021: EUR 2.10 million)

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 organisation unit.

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

ITC (Information and Telecommunications Technology) segment

Segment revenue

The discontinued operations were allocated to the ITC segment as the subgroup of weclapp SE. The earnings position of discontinued operations has already been referenced as part of the result of the Group's operations. In the following description of the ITC segment's earnings position, only the results of continuing operations are presented. Compared with the financial year 2021, these results improved both in absolute and relative terms.

In a year-on-year comparison, the ITC segment lifted its revenue by 0.5 %, from EUR 12.08 million to EUR 12.14 million in the financial year 2022.

Telecommunications generated EUR 11.25 million in sales revenue, virtually unchanged from the year-earlier level (2021: EUR 11.13 million). Revenue with external parties climbed by 3.2 %, from EUR 10.20 million in the financial year 2021 to EUR 10.52 million in the reporting year. Gross Margin I (total output minus direct costs) advanced to EUR 6.10 million compared with the previous year (2021: EUR 5.35 million).

After 2021 when the Voice Retail business experienced increased demand due to the restrictions on travel and contact, the notable decline in demand anticipated for the long term set in. Sales revenues in this business declined from EUR 1.85 million to EUR 1.63 million. The proportion of the retail business in external revenue generated by the Telecommunications business dropped from 18.1 % to 15.6 %.

At EUR 7.22 million, Voice Business Customer achieved sales revenue at the year-earlier level (2021: EUR 7.26 million). Data Center Services & Operation (DCS&O) delivered revenue of EUR 2.40 million, including intragroup services, in the financial year 2022 (2021: EUR 2.03 million). External revenue generated by DCS&O grew by 50.2 %, which makes it once again the most successful offering in the Telecommunications business. This business also includes the first, more modest revenue of the new Managed Services offering which, for the time being, is not being disclosed separately.

Consequently, the segment's gross profit (revenue plus other income minus cost of materials) rose by 10.3 % to EUR 6.67 million (2021: EUR 6.04 million).

EBITDA

The Telecommunications business line considerably improved its profitability. Its contribution to segment EBITDA increased further by 32.1 % to EUR 3.14 million (2021: EUR 2.38 million).

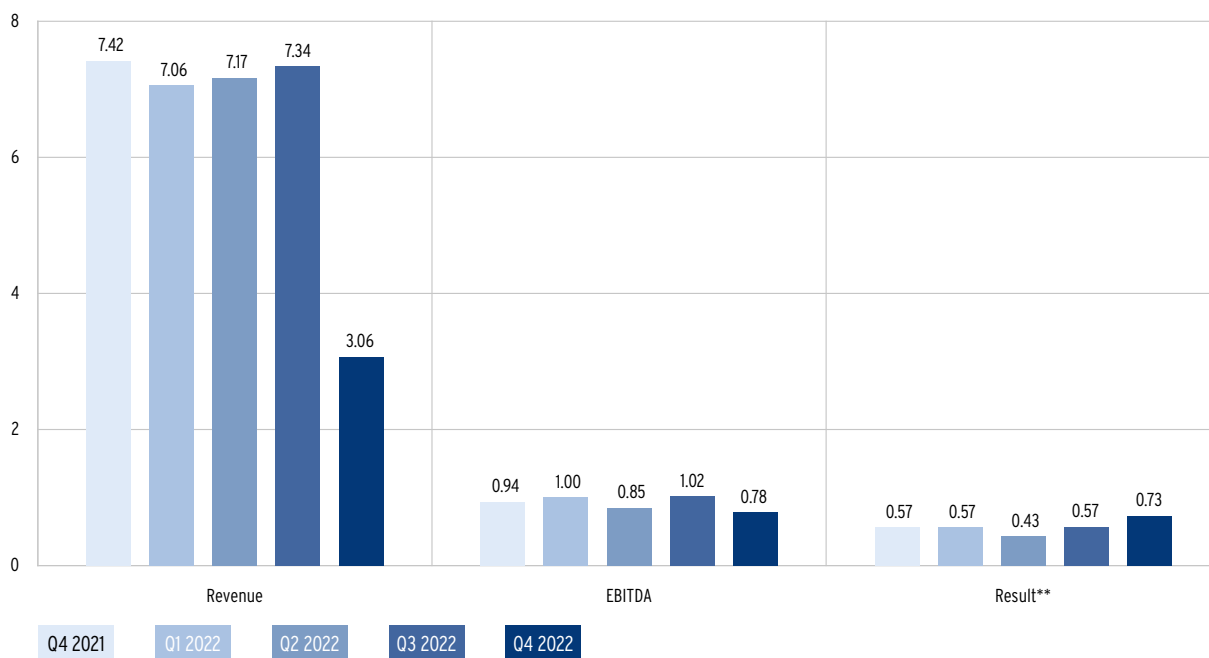
The ITC segment's personnel expenses (continuing operations) came in at EUR 2.28 million in the financial year 2022, marking a slight decline compared with the previous year's period when personnel expenses stood at EUR 2.31 million. The share of personnel expenses in segment revenue (personnel expenses ratio) decreased accordingly from 19.1% to 18.8%.

Other expenses also declined to EUR 1.25 million in the financial year 2022, down from EUR 1.35 million in the previous year. Legal, consultancy and audit costs dropped to EUR 0.18 million (2021: EUR 0.44 million). As a result, segment EBITDA improved to EUR 3.14 million (2021: EUR 2.38 million). The EBITDA margin (EBITDA as a percentage of revenue) rose accordingly from 19.7% to 25.8%.

Segment result

The forming of deferred taxes due to temporary differences between the carrying amounts under IFRS and those in the tax balance sheet resulted in lower tax income of EUR 0.02 million (segment tax expenses 2021: EUR 0.05 million). All in all, the ITC segment achieved a segment result of EUR 2.77 million in the period under review, reflecting an increase of 46.7% compared with the previous year (2021: EUR 1.89 million).

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



*Including discontinued operations

**Segment result before profit transfer and after share of non-controlling interests

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. After the strong winds in the first quarter, power generated from wind approached the long-term average. In the summer months, strong solar irradiation resulted in above-average electricity yield. Improved conditions for power purchase agreements for the Roge and Klostermoor wind farms had already been negotiated for the financial year 2022. On the back of these factors of influence, segment revenue rose from EUR 6.29 million in 2021 to EUR 7.20 million in the reporting year.

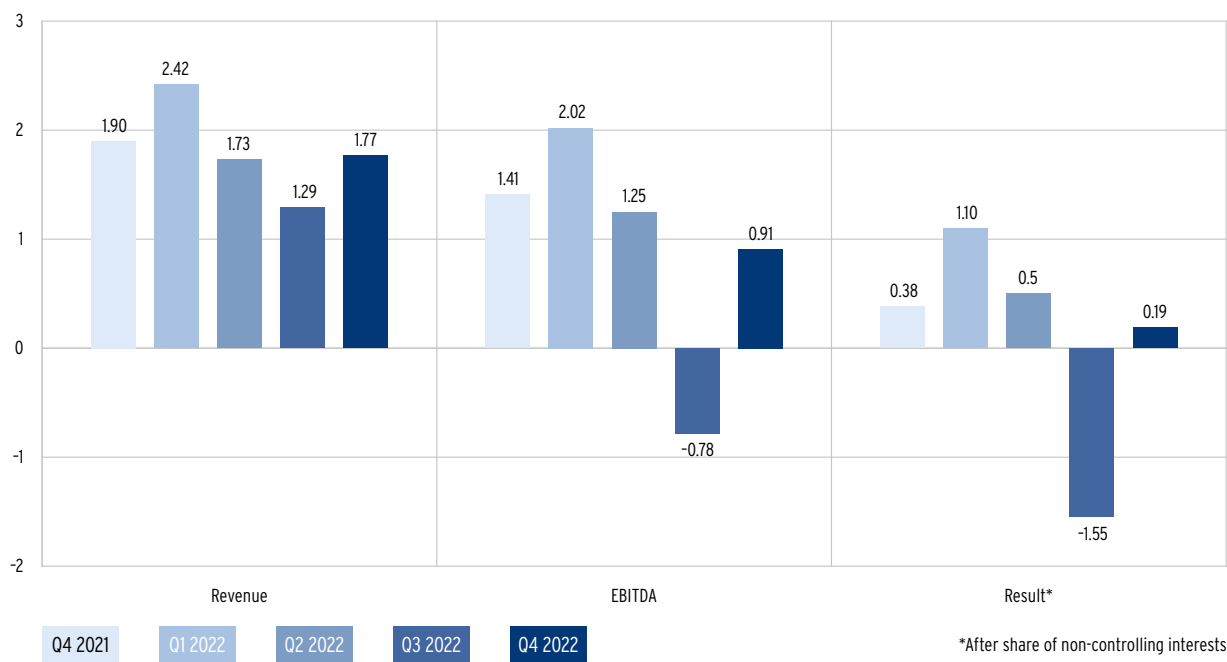
EBITDA

Personnel expenses and other operating expenses in the financial year 2021 were EUR 0.03 million lower year on year. In view of the limited personnel resources in the Renewable Energies segment, new priorities were set regarding projects to develop wind farms in Brandenburg to be continued if appropriate. In this context, project development costs of EUR 1.59 million reported under current assets were written down (2021: no impairment on current assets). This development contributed to a substantial increase in other operating expenses which rose from EUR 2.03 million in 2021 to EUR 3.75 million in the reporting period. This figure also includes costs for preparing the application for repowering in the Langendorf wind farm, however. As a result, EBITDA declined to EUR 3.40 million in the period under review (2021: EUR 4.63 million).

Segment result

Consequently, the segment result of EUR 0.24 million dropped below the previous year's figure of EUR 0.66 million.

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



SHAC (Sanitary, Heating and Air Conditioning Technology) segment

Segment revenue

The SHAC segment's revenue grew from EUR 26.96 million to EUR 31.51 million. The gradual improvement in the supply situation over the course of the financial year, coupled with ongoing healthy demand for products from 3U's online business, raised sales substantially by 16.8 %. Revenue from the Group companies Selfio GmbH and especially PELIA Gebäudesysteme saw strong growth. Despite generally improved goods availability, procurement prices nevertheless increased. It was, however, not possible to pass on these price increases in full to customers. Despite the use of in-house brands and other measures to optimise procurement, the SHAC segment's cost of materials ratio stood at 81.1 %, up another 1.8 %-points compared with the level posted in the previous year (2021: 79.3 %).

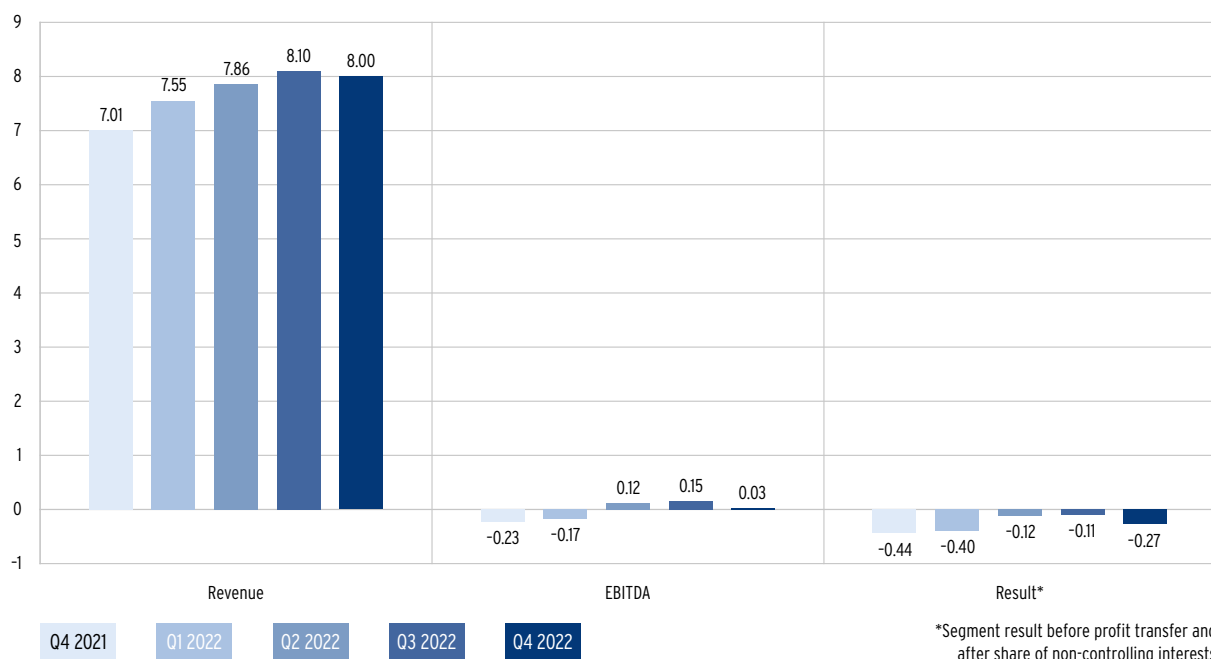
EBITDA

By contrast, personnel expenses of EUR 3.02 million remained stable at the level of the previous year (2021: EUR 3.01 million). Measured against higher revenue, and thanks to ongoing internal efficiency improvements, the personnel expenses ratio (personnel expenses as a percentage of revenue) dropped further by 1.6 %-points, from 11.2 % to 9.6 %. The proportion of other operating expenses in revenue also declined, from 12.3 % to 10.2 % in a year-on-year comparison. As a result, segment EBITDA posted EUR 0.12 million in the financial year 2022 compared with the year-earlier negative EBITDA of EUR -0.53 million.

Segment result

Following write-downs of EUR 0.72 million (2021: EUR 0.52 million) and another negative financial result (2022: EUR -0.33; 2021: EUR -0.17 million), the SHAC segment delivered a result in negative territory. Compared with 2021, however, which produced a result of EUR -1.20 million, a slight improvement to EUR -0.91 million was achieved.

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. Activities and reconciliations pertaining to discontinued operations are not included in the following presentation of the segment's continuing activities.

Revenue

3U HOLDING AG's revenue of EUR 1.89 million is disclosed under Other Activities (2021: EUR 1.62 million). This is mainly revenue generated with other segments and areas of EUR 1.87 million (2021: EUR 1.62 million). Similar to that of other operating segments, this revenue was also eliminated in an amount of EUR 0.56 million in the course of consolidation (2021: EUR 1.29 million). It relates to intra-group services (especially IT operations); revenues of the holding mainly comprise management services within the group of companies (including accounting, law, personnel). Other operating income of EUR 11.83 million (2021: EUR 15.96 million) consists essentially of proceeds from the sale of the shares in the InnoHubs GmbH. In 2021, the high level of other income resulted from the real estate development under the InnoHubs construction project.

EBITDA

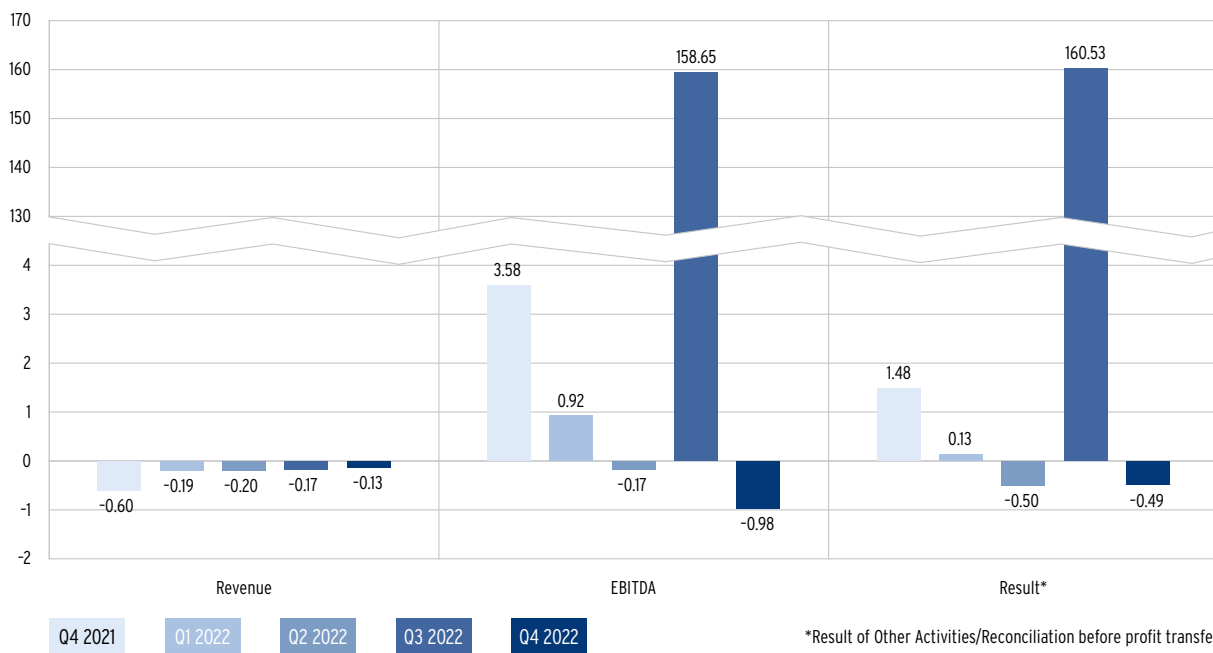
Personnel expenses declined to EUR 2.80 million (2021: EUR 3.10 million). As a general rule of thumb: The employees from strategic investment management and from the Finance, HR and Legal departments, as well as from centralised marketing resources, are mainly allocated to the parent company. The holding makes a particular contribution to promoting the overall strategic development of the subsidiaries with these resources.

Other operating expenses of EUR 8.61 million dropped below the year-earlier level (2021: EUR 11.52 million). The expenses were mainly attributable to construction costs in connection with the InnoHubs real estate development activities.

Result

The result of Other (continuing) Activities/Reconciliation contributed EUR 1.05 million to the consolidated result in the financial year 2022 (2021: EUR 0.75 million).

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



62 Financial position

Development of cash flows

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

Cash flow statement (in kEUR)	2022	2021
Cash flow	176,987	-13,989
Cash flow from operating activities	16,542	-7,795
Cash flow from investing activities	147,817	-15,421
Cash flow from financing activities	12,628	9,227
Changes due to the consolidation scope	0	283
Total changes from cash and cash equivalents	176,987	-13,706
Cash and cash equivalents at the beginning of the year*	12,715	26,421
Cash and cash equivalents at the end of the year**	189,702	12,715

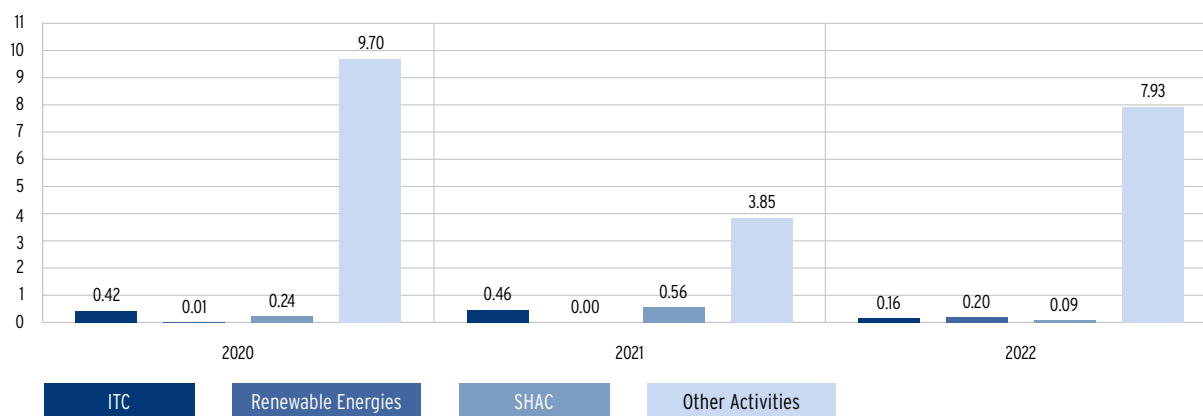
*Incl. fixed deposits as collateral resp. restricted cash in the amount of kEUR 5,098 (1 January 2021: kEUR 2,804)

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

*

The relevant cash inflows in connection with the divestitures are offset to a relatively limited extent by cash outflows from the redemption of loans and from investments in property, plant and equipment. They relate in particular to investments of EUR 8.45 million in the building project in Würzburg, as well as to the purchase of office space for weclapp SE, a Group subsidiary at the time, amounting to EUR 0.78 million. Disbursements by the 3U Group in the financial year 2022 pertained in particular to the repayment of loans as part of the transactions associated with divesting the cloud computing business and the InnoHubs construction project. As in the previous year, investments were also made to a more minor extent in data centres, IT and in the telecommunications infrastructure.

Development of investments in EUR million



In the financial year now ended, the operating cash flow which came in at EUR 18.21 million (2021: cash outflow of EUR 9.46 million) was positive thanks to the extremely high result for the period and the gratifying development of business. The slight improvement in the result for the period compared with the previous year is increased by depreciation and amortisation of EUR 4.51 million in the financial year (2021: EUR 4.50 million) and adjusted for gains from the disposal of assets allocated to investment activity. The sale of space in the InnoHubs building complex (ownership interest in the land), capitalised under inventories, resulted in a decline in inventories and the respective cash inflow.

The cash flow from investing activities was largely determined by the divestitures. The resulting funds received of EUR 158.81 million are offset in particular by disbursements of EUR 9.82 million for the aforementioned investments (2021: EUR 4.36 million). In the previous year, an amount of EUR 13.24 million was paid for the acquisition of two companies in the cloud computing business (2022: no cash outflow from comparable transactions). Consequently, the net effect of these transactions resulted in a net cash inflow of EUR 147.82 million from investing activities. In 2021, cash outflow from investing activities amounting to EUR 15.42 million was reported.

The cash flow from financing activities generated a cash inflow of EUR 12.63 million (2021: cash inflow of EUR 9.23 million). Disbursements for the scheduled and unscheduled payment of loans and leasing liabilities, as well as to shareholders of 3U HOLDING AG and to non-controlling interests in an amount of EUR 1.97 million (2021: EUR 2.03 million), are offset by incoming payments from taking out bank loans worth EUR 16.43 million (2021: EUR 14.95 million).

The 3U Group was able to meet its payment obligations at all times in the period under review, which is also guaranteed for 2023. The liquidity situation continued to be very sound as of 31 December 2022.

Capital structure

The changes in many pertinent items in the statement of financial position and in the key financials are largely due to the divestiture of the cloud computing business and the InnoHubs construction project. In this context, the high level of cash and cash equivalents corresponds to the increase in equity.

As part of the property developer model relating to building and selling the property in Würzburg, incoming payments from buyers also served to furnish collateral for the loan. These items were derecognised in the context of selling the InnoHubs construction project. In this connection, restricted cash and cash equivalents have declined from EUR 5.10 million to EUR 2.89 million. Taking account of these restrictions, cash and cash equivalents rose sharply, from EUR 7.62 million as of 1 January 2022 to EUR 186.81 million as of 31 December 2022.

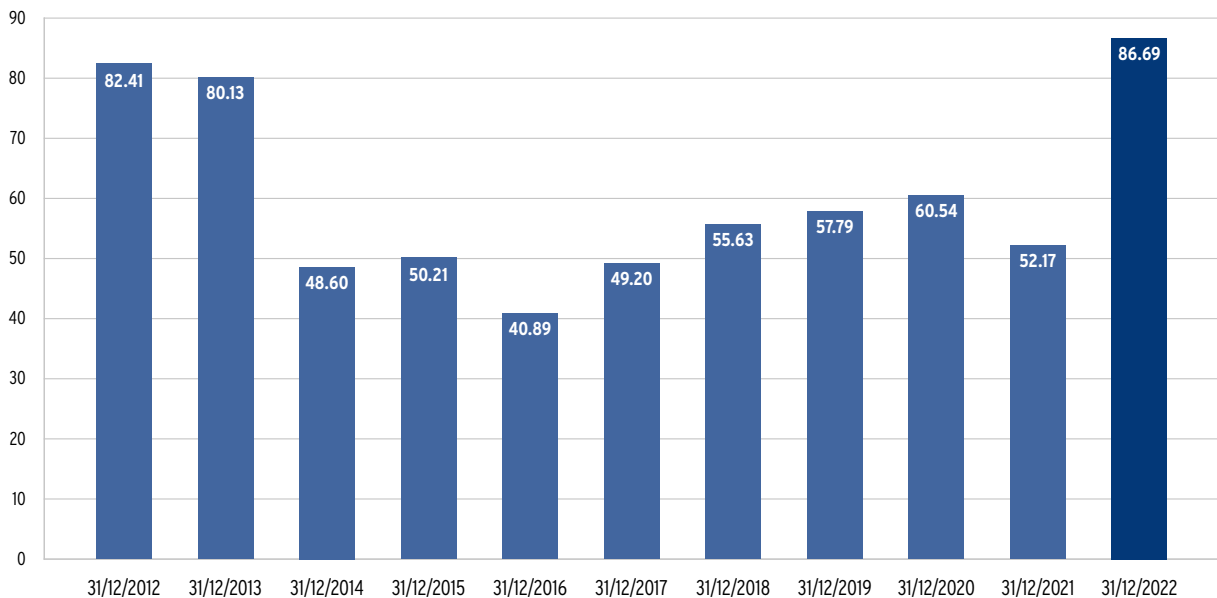
Cash and cash equivalents increased by EUR 176.99 million, from EUR 12.72 million as of 31 December 2021 to EUR 189.70 million at year-end 2022.

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.

Exceptionally high consolidated profit made a definitive contribution to lifting the equity ratio. As of 31 December 2022, the ratio

stood at 86.69 % (31 December 2021: 52.2 %). The absolute amount of equity advanced by EUR 149.06 million to EUR 211.17 million (31 December 2021: EUR 62.11 million). The respective departure of the minority shareholders in weclapp SE and in InnoHubs GmbH resulted in a significant decline in the shares of non-controlling interests to EUR 0.81 million (31 December 2021: EUR 6.87 million). Equity amounting to EUR 210.36 million (31 December 2021: EUR 55.25 million) is therefore attributable to the shareholders of 3U HOLDING AG.

Development of the equity ratio (in percent)



Asset position

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Overview of balance sheet items	31/12/2022		31/12/2021	
	kEUR	%	kEUR	%
Non-current assets	34,148	14.1	71,516	60.0
Fixed assets	33,405	13.7	69,563	58.4
Deferred tax assets	632	0.3	1,808	1.5
Other non-current assets	111	0.1	145	0.1
Current assets	209,455	85.9	47,531	40.0
Inventories	10,780	4.4	11,921	10.0
Trade receivables	3,601	1.5	16,049	13.5
Other current assets	5,372	2.2	6,846	5.8
Cash and cash equivalents	189,702	77.8	12,715	10.7
Assets	243,603	100.0	119,047	100.0
Non-current liabilities	231,085	94.9	104,057	87.4
Equity attributable to 3U HOLDING AG shareholders	210,364	86.4	55,247	46.4
Non-controlling interests	808	0.3	6,865	5.8
Provisions and liabilities	19,913	8.2	41,945	35.2
Current liabilities	12,518	5.1	14,990	12.6
Trade payables	3,044	1.2	3,884	3.3
Other provisions and liabilities	9,474	3.9	11,106	9.3
Liabilities	243,603	100.0	119,047	100.0

Total assets stood at EUR 243.60 million on 31 December 2022 (31 December 2021: EUR 119.05 million) and have therefore risen by EUR 124.56 million compared with the year-earlier reporting date. The balance sheet extension is essentially attributable to the sharp increase in cash and cash equivalents thanks to the successful sale of the cloud computing business and the InnoHubs construction project. At the same time, derecognition of the respective assets and liabilities resulted in particular in a decline of EUR 28.25 million in intangible assets and of EUR 12.45 million in current trade receivables. On the liabilities side, non-current financial liabilities were reduced by EUR 14.12 million.

Non-current assets of EUR 34.15 million (31 December 2021: EUR 71.52 million) comprise in particular property, plant and equipment totalling EUR 28.41 million (31 December 2021: EUR 35.21 million) largely in connection with the power plants worth EUR 19.72 million in the Renewable Energies segment.

Current assets stood at EUR 209.46 million as of 31 December 2022 (31 December 2021: EUR 47.53 million), reflecting a significant increase compared with the 2021 reporting date. The change is due in the main to the sharp increase in cash and cash equivalents. Inventories of EUR 10.78 million (31 December 2021: EUR 11.92 million) concern the measurement of the status of partly finished project developments in the ITC segment and of merchandise in the SHAC segment. The share of cash and cash equivalents in current assets came in at 90.6 % on 31 December 2022 (31 December 2021: 26.8 %).

The key financials remained at a satisfactory level at the end of the financial year 2022. Owing to the aforementioned developments, the debt-to-equity ratio declined from 91.7 % as of the reporting date in 2021 to currently 15.4 %. Cash and cash equivalents exceeded the financial liabilities by EUR 173.16 million as of 31 December 2022 (31 December 2021: net debt of EUR 18.16 million). At the same time, working capital rose sharply and, by the reporting date, had reached a level of EUR 196.94 million (31 December 2021: EUR 34.21 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 company is responsible for defining the corporate strategy and directing the development of the 3U Group. It is in charge of for accounting and controlling in the 3U Group, operates the groupwide risk and opportunities 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 drawing up the annual accounts, 3U HOLDING AG complies with the provisions set out under the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) with respect to accounting, measurement and disclosure. The consolidated financial statements are prepared under the assumption of going concern. The income statement is prepared using the total cost method.

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

Analysis of the annual financial statements

Result of operations

3U HOLDING AG's total revenue came in at EUR 2.11 million in 2022 (2021: EUR 1.85 million). Revenue essentially comprises management services rendered to 3U HOLDING AG's subsidiaries and holdings, as well as income from letting and leasing. The increase in revenue primarily results from higher 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 169.81 million (2021: EUR 4.37 million) mainly stems from the sale of weclapp SE and InnoHubs GmbH (proceeds from the disposal of financial assets of EUR 167.39 million; versus 2021: income from the disposal of property, plant and equipment of EUR 1.93 million). To a more minor extent, gains were generated from the release of provisions (EUR 0.10 million; 2021: EUR 0.03 million) and income from affiliated companies (EUR 0.16 million; 2021: EUR 0.19 million).

Personnel expenses of EUR 4.93 million (2021: EUR 2.99 million) were incurred for the employees and for members of 3U HOLDING AG's Management Board, which includes one-off performance bonuses of EUR 2.28 million paid to employees and management.

Other operating expenses mainly comprise the costs of transaction consulting (EUR 2.32 million; 2021: no cost for transaction consulting), and intercompany services amounting to EUR 0.62 million (2021: EUR 0.71 million). Supervisory Board remuneration totalled EUR 1.28 million (2021: EUR 0.16 million). Specific value adjustments in respect of receivables from affiliated companies stood at EUR 3.12 million in the financial year 2021. This item amounted to EUR 0.74 million in the financial year 2022 and included maintenance and premises costs, accounting and auditing costs, vehicle fleet costs, tax advisory and other consultancy costs,

the costs of the stock exchange listing, as well as costs for investor and public relations in an amount comparable to that of 2021.

The financial result of EUR 3.11 million (2021: EUR 1.48 million) comprises income from participating interests (investments) of EUR 0.44 million (2021: EUR 0.80 million), income from profit and loss transfer agreements amounting to EUR 3.30 million (2021: EUR 2.25 million), expenses from the assumption of loss amounting to EUR 1.60 million (2021: EUR 1.78 million), from net interest income of EUR 1.03 million (2021: EUR 0.37 million) and from write-downs of EUR 0.06 million on financial assets (2021: EUR 0.16 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 declined significantly. This is especially due to the ongoing optimisation of warehousing and logistics activities at the competent subsidiary in the SHAC segment. Furthermore, impairment of EUR 0.07 million was recognised on the carrying amount of participating investments in subsidiaries in the financial year 2022 (2021: EUR 0.16 million).

Due in particular to the higher level of other operating income, net income for the year of EUR 161.98 million was recorded in the financial year 2022 (loss in 2021: EUR 1.67 million).

Financial position

As of the reporting date, 3U HOLDING AG had granted its subsidiaries short-term loans in an overall volume of EUR 21.19 million (31 December 2021: EUR 36.84 million) to promote the development/expansion of their business activities. Of these loans, EUR 6.15 million were impaired as of 31 December 2022 (31 December 2021: EUR 7.31 million).

Cash and cash equivalents came in at EUR 178.97 million as of 31 December 2022 (31 December 2021: EUR 2.28 million). The increase in cash and cash equivalents stems mainly from the divestiture of financial assets (weclapp SE and InnoHubs GmbH). 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 2022, these credit lines had been drawn down under a guarantee credit in an amount of EUR 0.57 million (31 December 2021: EUR 0.57 million). Gold stocks worth EUR 2.98 million were reported under Other assets (31 December 2021: EUR 2.97 million), along with loan receivables of EUR 0.64 million due from employees in connection with the share option programme (2021: no loan receivables from employees).

Asset position

3U HOLDING AG's total assets stood at EUR 232.13 million as of 31 December 2022 (31 December 2021: EUR 67.14 million) and have therefore more than trebled.

At EUR 14.34 million, property, plant and equipment was 2.7 % lower overall than on the year-earlier reporting date (31 December 2021: EUR 14.73 million). Following the repayment of a loan by a subsidiary in the context of its sale, the portfolio of receivables from affiliated companies stood at EUR 23.95 million, marking another substantial decline (31 December 2021: EUR 35.34 million). This aspect also contributed to the increase in cash and cash equivalents.

By comparison, the liabilities from affiliated companies of EUR 9.73 million rose by 9.2 % year on year due to reporting-date-related effects (31 December 2021: EUR 8.91 million). With a view to optimising the deployment of the funds available within the group of companies, 3U HOLDING repaid the loan in the case of 3U TELECOM GmbH. The loans taken out for subsidiaries

OneTel Telecommunication GmbH and LineCall Telecom GmbH have been retained.

At EUR 10.58 billion (31 December 2021: EUR 11.37 million), the financial assets declined by 7.0 % compared with the year-earlier figure due to the divestitures.

Including prepaid expenses and accrued income, working capital of EUR 207.18 million (31 December 2021: EUR 40.98 million) represented 89.3 % of the balance sheet total (31 December 2021: 61.0 %). Cash and cash equivalents formed a major part of this item.

Equity came in at EUR 208.28 million (31 December 2021: EUR 47.43 million). The significant growth is attributable to higher retained earnings of EUR 45.00 million (31 December 2021: EUR 0.42 million) and to the profit available for distribution of EUR 117.48 million (31 December 2021: EUR 1.85 million). The equity ratio therefore posted 89.7 % on 31 December 2022 (31 December 2021: 70.6 %).

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 117.48 million available for distribution to pay dividend of EUR 3.20 per share.

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

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

Key performance indicators of the business models

Online marketing and sales

3U has many years of experience in the field of online marketing tailored to the respective target groups and geared to sales. New communication and sales channels which emerge are investigated at an early date and, if deemed useful, are deployed intensively. It is the assessment of management that 3U has achieved a good competitive position in the high-growth and highest revenue areas of business – both in the weclapp subgroup sold effective 30 September 2022, as well as in e-commerce – and that this position forms the basis for the company's current and future success. As part of expanding its business activities in the field of Managed Services, 3U TELECOM GmbH has strengthened its sales-oriented marketing.

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

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

	01/01-31/12 2021	01/01-31/12 2021	01/01-31/12 2020	01/01-31/12 2019
YouTube connections	ca 1.9 million	ca 2.3 million	ca 3.4 million	>2.5 million

	31/12/2022	31/12/2021	31/12/2020	31/12/2019
YouTube subscribers	>16,000	ca 13,000	ca 10,000	>6,000
Facebook followers	>23,000	>24,130	>24,500	>20,000
Number of customers	103,292	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. As expected, this extraordinarily strong response was not subsequently achieved again in 2021 and 2022: Marketing and sales activities were structured so as to enable customers to buy principally from the Selfio shop at www.selfio.de with a view to strengthening the Selfio brand, on the one hand, while reducing the amount of commission paid to marketplace providers, on the other. The number of YouTube subscribers continued to rise, and Facebook followers are consistently high. The slight decline in the use of Facebook is due, among other reasons, to the fact that no reinforcing advertising measures were initiated for this channel in the financial year 2022. In the opinion of management, the sales potential from social media activities remains high.

With the 12-point plan launched in the second half of 2020 to improve profitability, Selfio GmbH began to focus its sales more on higher-margin sales channels and, having completed the plan, continues to conduct its business in line with this principle. The decline in customer numbers with a concurrent increase in revenue indicates that this measure has resulted in higher volumes per individual order.

Customers' price sensitivity against the backdrop of inflation is evident in their buying behaviour. Particularly regarding acquisitions for building and refurbishment projects that can be deferred, customers were more hesitant in making their purchase decisions. In the assessment of management, the comparatively strong revenue growth in the financial year 2022 is attributable to a move away from typical tradespeople services to the do-it-yourself domain and the resulting purchases, particularly regarding heating and sanitary installations.

Managed Services in the ITC segment makes a contribution to SMB digitalisation. From telephony offerings to private and business customers through to data centre capacities and onto managed IT workplaces, it increasingly targets small and mid-sized businesses. A website was specially created for the Managed Services business has been available at www.uuu.de since August 2022. In addition, sales were listed by regular activities in the B2B LinkedIn channel. With 52 contributions in the financial year 2022, information was posted once a week on average. The interaction of 3U TELECOM GmbH employees with contributions made by their own company shows how strongly they identify with the company's products.

Corporate responsibility

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

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

3U HOLDING AG

Governance

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

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

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

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

Based on these values, and also with a view to promoting and stabilising them, decisions are made, exceptions carefully considered, and rules and regulations adjusted. This particularly impacted the mode of collaboration in teams and across teams during the

coronavirus pandemic. As a highly digitalised company, 3U offers all its employees the technology for working remotely, i.e. on a mobile basis. To promote the community, a model for a hybrid way of working was developed together with the multi-company works council. This model included the already established agreement on core working hours and enables teams to work together flexibly, in line with requirements, both face-to-face and virtually. The structure and culture of collaboration are the responsibility of the individual companies.

Data protection

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

Risk management

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

Works Council

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

Environment

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

3U has been expanding its portfolio of wind farms and solar parks since 2010. With participating interests in the Renewable Energies segment and also in the construction of its own buildings (headquarters in Marburg, warehouse and logistics hub for the e-commerce business in Koblenz), 3U ensures that power is sourced as far as possible from renewable energies. The roof-mounted photovoltaic system in Koblenz, for instance, saves up to 60 % of the annual electricity requirements, equivalent to around 132 tons of CO₂.

The Group is fundamentally in favour of and supports the e-mobility of all employees. When taking business trips, all employees are expected to give preference to public means of transport. Managers have the option of using a company car. 3U's fleet of company cars comprised 31 vehicles in total as of 31 December 2022, 60 % of which were pure electric cars or had hybrid engines. The Marburg location is equipped with two charging stations available for use by all employees free of charge.

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

Forecast, Opportunities and Risk Report

Forecast

Economic outlook

As a consequence of rising energy and food prices in the year now elapsed, the German government anticipates significantly higher, albeit declining inflation rates in the year 2023 as well. Consumer prices are likely to rise by 6.0 %. Private consumption above all could slow discernibly after the pandemic-induced catch-up effects over the the course of 2022, as possibly shown by the fact that retail sales were lower in December 2022 than expected.

Higher prices for gas are also reflected in the electricity price, which is attributable to the market price on the electricity exchanges being determined by the marginal costs of technology required to cover residual demand. As often this concerns gas-fired plants, electricity prices also entered a steep uptrend on the back of higher costs of using gas. The development of the electricity price in general, and also that of renewable energies. In particular, is subject to significantly greater fluctuation than in previous years. Making a reliable forecast for the electricity price trend in 2023 is therefore problematic. Higher energy prices burden costs at 3U, as opposed to power sourced from renewable energies positively which impacts revenues. Furthermore, against the backdrop of the uptrend in energy prices and the German Government's determining new areas of focus, the Management Board anticipates growing demand from owner-builders and DIYers for cost-effective and environmentally compatible heating and climate technologies.

Generally speaking, it will remain a priority for most economies to lower inflation sustainably in the direction of the target figures. While the International Monetary Fund (IMF) continues to expect inflation rates running at a high level, it nevertheless anticipates that inflation will reached its highest level or will have already peaked in the first quarter of 2023 in most countries. The growing risk of recession, on the other hand, will influence the measures taken by central banks, which will generally lead to expectations of higher volatility in the financial markets.

Inflation-induced uncertainty, compounded by the global economic and political concerns, also hampering the investment decisions of companies. Against this backdrop, the German government anticipates that gross capital expenditure will not reach a level in 2023 that exceeds that of the previous year. Following a contraction of 1.6 % in 2022, construction investments are set to decline by another price-adjusted 2.3 % in 2023. Along with the sharp increase in construction costs, and favourable financing conditions and material shortages, the lack of skilled labour poses a growing constraint. Conversely, the trend towards do-it-yourself building may accelerate.

In many sectors, labour is in high demand despite the economic slowdown, and the lack of skilled workers continues to present many companies with their most urgent problem. According to a survey conducted by the German Institute for Employment Research (IAB), companies reported around 1.8 million open positions in autumn 2022. This is countered by a gratifying recovery on the labour market in 2022: Gainful employment reached record levels at 45.7 million people at year-end 2022. This uptrend in employment is likely to persist in 2023 as well and be largely borne by an increase in employment subject to social insurance contributions.

Germany's economic development is likely to pick up momentum again over the course of the year despite concerns fuelled by inflation as well as economic and political uncertainty on a global scale. The German government assumes that a moderate recovery anticipated in the global economy and stimulus from the fiscal measures taken at the turn of the year 2022/2023 to promote stabilisation, such as gas, electricity and heating prices, will serve to slow the high rate of inflation over the course of the year.

In the full year 2023, the German government anticipates an increase in the price-adjusted gross domestic product (GDP) of 0.2 %. In contrast to other market observers, it does not view a significant recession as unavoidable. In its outlook, published in January 2023, the IMF assumes moderate real economic growth of + 0.1% for Germany in 2023. Growth is expected to accelerate to 1.4 % in 2024.

3U HOLDING AG's Management Board anticipates that, similar to the financial year 2022, and as is already the case in the current financial year, the business of Group companies will be able to develop well. A slight economic recovery, in particular further political initiatives in favour of sustainable, climate-neutral renewable generation of power and heat, however, can provide additional stimulus for 3U's business activities. This belief is underpinned by the expectation that there is no significant deterioration in the current economic and political factors of influence taken on a global scale.

Strategic direction

The Management Board considers the prerequisites for 3U HOLDING AG to continue its successful development in this environment as well as good. Through its work to build up new, successful service offerings 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 to be newly acquired.

Given developments in the financial year 2022, the Management Board considers that 3U's fields of business are well equipped for fulfilling the forecast. 3U's operations address megatrends, which set in place good preconditions for success, also after the departure of weclapp SE from the consolidated group. 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 is being rigorously leveraged. 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 continue to report organic revenue growth from our continuing operations in 2023 as well, also after the departure of the cloud computing business. 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 2022 through efficiency and new service offerings in a market which is stable and for further consolidating profitability. Foreseeable declines in the Voice Retail business will be more than compensated by improved data centre capacity utilization, by winning new customers in the other areas of telephony, and by adding to the range of IT services for external customers. The strategic focus in marketing and gaining new customers is placed on the new Managed Services business that supplemented the offering in 2022.

Further improvements in efficiency and economies of scale could lead to another significant increase in EBITDA, accompanied by slightly higher segment result. Further growth in the ITC segment may possibly also be accelerated by acquiring other companies. Extraordinary expenses could be incurred in connection with such portfolio measures in the financial year 2023. The sharp increase in energy costs may also reduce earnings. In the event, these counter effects will curb an increase in the ITC segment's EBITDA.

Our strategy in the Renewable Energies segment in the financial year 2023 continues to be based on the successful operation of our wind farm portfolio, negotiating advantageous electricity supply contracts, the gradual expansion of our existing facilities, as well as the sale of wind farms. Upon obtaining approval for the Langendorf wind farm repowering project, we will start to implement and finance the undertaking on site. Upon completion and commissioning of the new wind energy facilities, expected in the financial year 2025, we anticipate that the wind farm's power production will treble. The possibility of comparable repowering projects in the other wind farms is currently being investigated. In Brandenburg, the local government announced new rules and regulations for building new wind farms, effective 1 February 2023, and, in terms of regional planning, will move away from "exclusion planning" to tender planning. 3U will create capacities internally with a view to viably prioritising and proceeding step-by-step with project development.

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 2023 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, which is considerably better compared with 2022. In planning for the Langendorf wind farm – for which sales have been agreed at the respective prices currently prevailing on the market – assumptions regarding the price trend for selling the power produced were also incorporated.

Against the backdrop of improved conditions for selling power, we anticipate a sharp increase in revenue, EBITDA and the segment result in 2023. Following the granting of permission to build, the investments for repowering the facilities in Langendorf will also figure on the accounts.

The SHAC segment continues to be negatively affected by supply chain bottlenecks at present, albeit to a lesser extent compared with the year ago. Also given the strong growth of external segment revenue in the financial year 2022, we are planning for further acceleration in the current year. To this end, we are forging ahead, along with other measures, with the market launch of an in-house developed innovative heating system as well as with expanding the range of electrical products. Widening the scope of consultancy services and continuing with successful online marketing should contribute to growing demand, while procurement ensures sufficient supplies at advantages conditions. These are key success factors for achieving the strong organic revenue growth planned for our e-commerce operations.

The distribution centre located in Koblenz is designed and prepared to accommodate further growth, both in terms of the available space and regarding organisation. It is already making a definitive contribution to optimising the supply chain while achieving cost savings. 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. We are also forging ahead with digitalising internal processes. Launching new heating systems on the market should also generally marginally

increase the proportion of in-house production, which should strengthen the segment's profitability. All in all, substantially higher revenue, a slight increase in positive EBITDA and a marginally improved but nevertheless still negative result have been budgeted for the SHAC segment.

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

Outlook for 3U HOLDING AG

As in the previous year, the Management Board assumes that sales revenue 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. After the exceptionally high level of income in the financial year 2022, which also incurred one-off costs, plans provide for 3U HOLDING AG's administrative costs in the financial year 2023 to return to possibly below the level of the financial year 2021.

3U HOLDING AG's performance in the financial year 2022 was positively impacted by proceeds from divesting the weclapp SE subgroup and InnoHubs GmbH. No income from the disposal of assets has been incorporated into planning for the financial year 2023. EBITDA is therefore expected 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. The carrying amounts of participating investments and valuation allowances on loans granted to subsidiaries may influence the 2023 annual result. All in all, the Management Board anticipates an investment result at the level of the financial year 2022. Given the high level of cash and cash equivalents, the increase in interest on short-term investments should contribute to a significantly improved financial result overall.

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

Forecast for the 3U Group

With regard to continuing operations, the Management Board expects strong organic growth in consolidated revenue in 2023 in a year-on-year comparison. Sales revenue in 2023 is expected within a range of between EUR 55.0 million and EUR 60.0 million. In view of the lower level of other income anticipated and the significantly higher proportion of lower margin retail business, the Management Board anticipates lower EBITDA of EUR 6.0 million to EUR 8.0 million. Profit of the 3U Group is therefore expected in a range of between EUR 2.5 million and EUR 3.5 million.

The actual performance of business may be higher or lower than forecast here due to company acquisitions or to selling operating units of the Group. The resulting effects can only be planned for to limited extent, however. The 3U Group remains true to its corporate purpose of creating value in the interest of its shareholders and all stakeholders and will stay its strategic course of expanding successful parts of the business successfully in the long term and, given the relevant demand, to sell them at attractive conditions.

In harmony with the corporate strategy, the Management Board is addressing a series of investment undertakings. Along with purchasing companies or customer bases in the financial year 2023 this pertains in particular to repowering the Langendorf wind farm. Options for further very promising investments are meticulously assessed on a running basis.

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

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

The successful sale of business lines in the financial year 2022 have given 3U financial room to manoeuvre, which may eventually enable the acquisition of competitors or customer bases in the ITC and SHAC segments or facilities in the Renewable Energies segment. Neither the concrete opportunity of such acquisitions or a successful exit can be reliably planned. If 3U can avail itself of such opportunities, revenue and earnings in the Group may diverge from the current budget.

ITC segment

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

This applies in particular to the Managed Services offering newly launched in 2020. Sales and revenue in this business may increase more swiftly if marketing and sales activities exceed expectations in winning numerous customers faster than expected.

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.

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.

The forecast for the financial year 2023 in this segment is secured, on the one hand, by fixed feed-in remuneration for solar electricity under the German Renewable Energies Act (EEG) and, on the other, by electricity supply contracts at fixed prices for

electrical energy produced by the Klostermoor and Roge wind farms. The power generated by Langendorf, the largest wind farm, will be sold at prices prevailing in the market at the time. The relevant forecast is based on assumptions by the Management Board that draw on market observations and contacts to customers. If achievable electricity prices are higher throughout the year than assumed in the forecast, the revenue and result of the Renewable Energies segment may be higher than anticipated.

With the repowering project applied for regarding the Langendorf wind farm, 3U HOLDING AG is taking account of the rising demand anticipated for electricity from wind power. If the approval procedure for such undertakings accelerates due to changed regulatory requirements, the sales and earnings from repowering planned for the medium term may materialise at an earlier stage, thereby delivering results above the current forecast.

At the present point in time, regulatory requirements are still in force regarding further repowering projects for the Klostermoor and Roge wind farms that prevent approval at short notice. If the situation in the respective legal framework change in favour of the projects envisaged, this may give rise to opportunities for higher sales and earnings. In the medium term, other opportunities arise from changes to the law in the Federal State of Brandenburg, which has switched its regional planning to tender planning since 1 February 2023, which may enable 3U to continue with all or selected current development projects. These projects have not been incorporated into current planning.

SHAC segment

Expanding the product portfolio to include water treatment, pumps, decentralised ventilation units, pipe insulation systems and more floor heating systems contributed to the growth of the business through e-commerce in recent years and will continue to do so in the future. This is borne out by significant revenue growth in the financial year 2022. 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.

The launch of an innovative product group for climate-neutral heating planned for 2023 is expected to meet with strong demand in the market. Planning nevertheless provides for a longer market launch with sales volumes remaining at an initially low level. If demand should develop more strongly than anticipated, especially if major customers are won, and delivery capability is guaranteed, sales and revenue could develop in much greater dimensions than currently expected.

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.

Following the completion of the 12-point plan initiated in 2022 to bolster earnings, new opportunities arise from moving ahead with automating internal processes, such as harmonising supply and procurement. If the completion date of this project is earlier than planned and the savings potential to be realised is greater, this will also create additional, sustained earnings potential.

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

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 therefore serves to secure the strategic corporate goals and to promote the company's success.

In order to achieve optimum corporate and risk management, the Management Board has 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 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 the Group's employees are under obligation to act in an awareness of the risks in the context of the tasks and responsibilities assigned to them. The respective 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 owner and the risk manager in evaluating and managing the risks for the Group companies.

Overall responsibility for the functionality and effectiveness of the risk management system rests with 3U HOLDING AG's Management Board. As risk owners, the members of the Management Board are active users of the risk management software deployed throughout the Group and are thus informed about current changes at all times. In addition, the risk manager regularly reports on the current risk situation and its possible future development as part of standardised reporting. Along with 3U HOLDING AG's Management Board, the Supervisory Board is also provided with standardised reporting by the Group's risk officer. The managing directors of the respective subsidiaries are required to keep themselves continuously informed about the risk situation in their companies by means of access to the risk management software. The use of the risk management software enables reporting to be made in great detail. After consulting the risk manager and the risk 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 divergence between the actual and anticipated result (corporate goal). There is an inherent danger of adverse events occurring (loss of assets and/or of earnings) or that events do take place as desired (lost opportunities).

Definition of gross and net risk

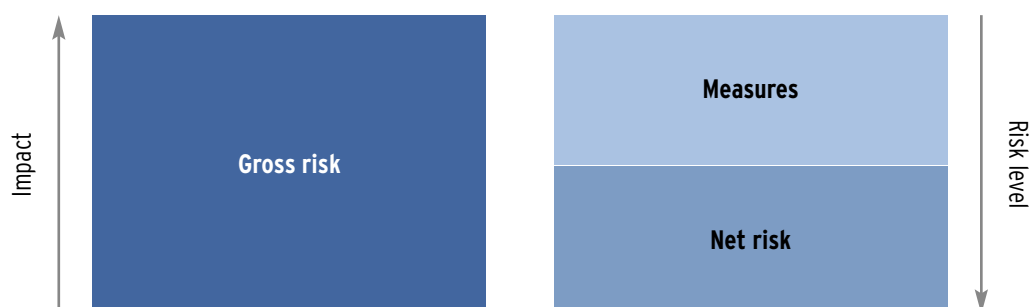
Evaluating the risks identified in the context of the risk inventory is performed on the basis of gross and net risk methodology. In determining gross risks, the compensating controls of limiting and managing risks are initially not taken into account. Compensating controls are measures defined and suitable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

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

Gross risks to net risks (residual risks)

The internal controls enable management to mitigate gross risks, paring them down to the level of the remaining net risks or residual risks by suitable measures that are determined on a flexible basis.



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

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

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

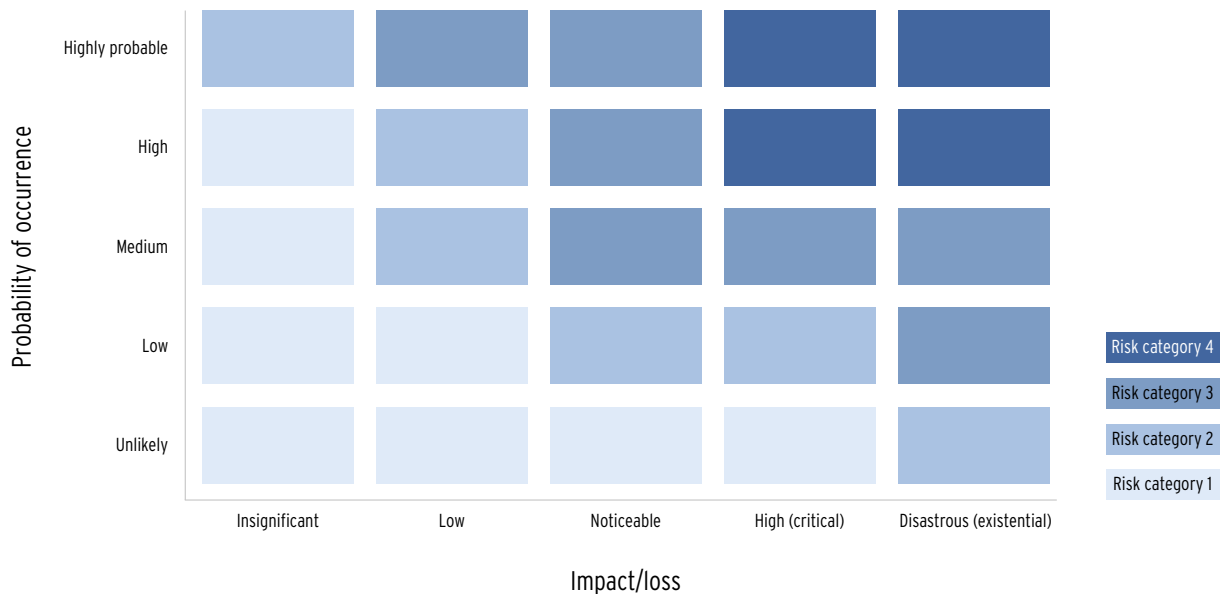
The amount of loss is determined individually for each company at the level of the respective company. Individual risks are aggregated at Group level and categorised based on an evaluation scheme.

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

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

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

Risk categories



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

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

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

Selected material gross risks of the company are listed below in a net risk drilldown according to qualitative criteria. As illustrated by 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
Operational risks				
ITC segment	Low	Insignificant	1	→
Renewable Energies segment	Low	Noticeable	2	↗
SHAC segment	Low	Insignificant	1	→
Strategic risks				
ITC segment	Low	Low	1	↘
Renewable Energies segment	Low	Insignificant	1	↘
SHAC segment	Low	Noticeable	2	↗
Regulatory risks				
ITC segment	Unlikely	Insignificant	1	→
Renewable Energies segment	Medium	Noticeable	3	↗
SHAC segment	Medium	Insignificant	1	→
Financial risks				
ITC segment	Medium	Insignificant	1	↘
Renewable Energies segment	Unlikely	Low	1	→
SHAC segment	Low	Low	1	→

→ Unchanged ↘ Decreased ↗ Increased

Risks

Significant current and future risks in the Group

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

In the 2022 reporting year, the risks in the ITC and Renewable Energies segments were once again the risks with the highest potential in terms of the amount of loss and the probability of occurrence. This is because the expected values of the loss amounts if the risks occurred in these two segments significantly exceeded the expected amounts of loss incurred by risks in the SHAC segment or other risks that have a direct or indirect impact on the 3U Group. The risk inventories of the Group companies mostly affirm the risks from past inventories, with only the extent of the amount of loss and probability of occurrence varying. 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.

An initial assessment of potential risks from acquiring new companies is already conducted over the course of the due diligence process on the target company before any contract is concluded. If new companies are integrated into the 3U Group through investments, these companies then undergo a risk inventory which is conducted as swiftly as possible in order to fundamentally identify and assess company-specific risks. These companies and their risks are automatically integrated into the Group's risk management system.

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 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 were affected in different ways by the virus epidemic and the measures required by health policy. 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 at times negatively impacted by constraints on global supply chains and delays in the delivery of the products in demand. At present, this is still the case, but to a much more minor extent. This risk is still being monitored, however.

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 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. Suitable employees are searched for and hired, or existing staff trained further in accordance with the planning requirements. Observing the customary principles practised in personnel management forms the basis of a positive working atmosphere. Personnel management and development lay the foundation for a positive corporate culture. In addition, a performance-based remuneration system, combined with internal and external training measures, ensure a high level of loyalty and affinity with the company on the part of qualified employees, which is reflected in their commitment and long-term service to the company. These measures are also effective when new skilled employees and especially managers are integrated into the Group as a result of investment activities or the acquisition of companies by 3U HOLDING AG.

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

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

Compliance 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 2024. On the other, 3U is consistently aligning itself in the telecommunications business to profitable products in the business customer sector (Voice Business and value-added services). It also optimises the network and augments the business line by adding new customer-centric products, in particular the range on offer under IT Managed Services. Here the risks arise more from general customer and supplier relationships (B2B) than from the regulatory environment. In this context, potential disruption to the network services offered is a major risk. This is countered through expanding and ensuring the redundancy of the network infrastructure, along with the associated processes. The standards achieved so far always constitute the next step in an evolving technical and security-relevant environment, however. Protecting data and facilities against unauthorised access is a permanent challenge. With the aim of improving security in the network, the technical monitoring equipment (active monitoring and blocking systems) are optimised on a running basis, and employees build concertedly on their qualifications through regular training.

Risks from the Renewable Energies segment

In addition to the general risks in the Group, this segment in particular entails legal and regulatory risks as well as potential risks in dealings with suppliers and customers. 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 promising prospects, risk analysis in the Renewable Energies segment is therefore concentrated on technical availability of the wind turbines. The Management Board and senior management have taken the precautionary measures to ensure that the parts necessary for maintenance and repair are available at short notice so that downtime can be kept to an absolute minimum. The delivery times for procuring systems and components have been generously calculated. If, due to external factors of influence, considerable delays occur, revenue and income may be lower than budgeted.

As described, the forecast for the segment in the financial year 2023 is partly based on assumptions made by the Management Board that are drawn from observing the market and maintaining contact with customers. If achievable electricity prices should be lower throughout the year than assumed in the forecast, the revenue and result of the Renewable Energies segment may be lower than anticipated.

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 discernibly reduced the risks in this segment.

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

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

Financial risks

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

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

Another important financial risk is inherent in the concentration of revenue on one or a few key customers. 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.

Risks from the current interest rate trend

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. At the same time, 3U HOLDING AG finances projects and capital expenditure to different degrees and with various terms through borrowing with loans for which higher interest is due and payable than in earlier periods. Following meticulous analysis, planning for the financial year 2023 includes reliable expectations of the interest rate level that are partly secured through existing loan agreements. If the interest rates should increase significantly overall, this could give rise to risks and a burden on net interest income that is higher than budget.

Management's assessment of the overall risk situation

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

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 here. This encompasses accounting policies, for instance, as well as accounting instructions and support by external consultants. The accounting process is analysed, optimised and documented accordingly. The 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

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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 2022.

Remuneration system of the Management Board

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

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

The remuneration system complies with the provisions of the German Stock Corporation Act, in particular with the requirements set out under the second Shareholders' Rights Guideline (ARUG II), and is based on the recommendations of the German Corporate Governance Code in the version dated 16 December 2019. It has replaced the formerly valid 2010 remuneration system.

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

Application of the Board Management remuneration systems in the financial years 2021 and 2022

The Management Board employment 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, will remain in force unchanged, also after the 2021 remuneration system has been approved. The rules on remuneration under these contracts are consequently still geared to the 2010 remuneration system set out in detail again in the 2021 annual report and in the remuneration report and presented to the Annual General Meeting on 25 May 2022.

The Management Board contract of employment signed with Uwe Knoke who was appointed to the Board as of 1 November 2021 reflects the 2021 remuneration system and will run until 31 July 2024. The Management Board employment contracts for Board members Michael Schmidt and Andreas Odenbreit with a five-year term from 1 January 2021 until 31 December 2026 have also been concluded in accordance with the 2021 remuneration system. The employment contract with Christoph Hellrung serving on weclapp SE's Management Board ended on 1 June 2022, the date on which 3U HOLDING AG concluded a Management Board employment contract with Christoph Hellrung. This contract accords with the 2021 remuneration system and will run until 31 December 2026. Up until his departure from the Management Board of weclapp SE, Christoph Hellrung was remunerated in accordance with the weclapp SE remuneration system for Board members.

In the financial year 2022, all members of the Management Board were remunerated for the term of their office serving on 3U HOLDING AG's Management Board in accordance with the 2021 remuneration system.

In this context, it should be noted that the remuneration paid to the Management Board spokesman in the financial year 2022 was only granted and owed for the period of office held as a spokesman of the Management Board. Following the departure of Michael Schmidt (effective 25 May 2022), this position function was not filled. Since that date, the Management Board acts as a collegial body without a Management Board spokesperson.

2021 Remuneration System

A. Introduction and background

The remuneration of Management Board members is aligned to the entrepreneurial development of 3U HOLDING AG. Against this backdrop, the Management Board remuneration system applies the standards of the German law on stock corporations and the recommendations of the German Corporate Governance Code (GCGC) in the version valid as of 20 March 2020 into which the new version, in force as of 28 April 2022, was incorporated unchanged. 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 required 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 in kind also in the form of company cars, contributions to pensions, medical and long-term care and unemployment insurance, D&O insurances and accident insurances.

The performance-related components consist of one-year variable remuneration (Short Term Incentive Plan – STI) and a multi-year remuneration component (Long Term Incentive Plan – LTI). Part of performance-related remuneration provides for the possibility of determining individual financial and non-financial target components for members of the Management Board.

In accordance with the statutory requirements, the remuneration system places a cap on maximum remuneration.

B. The remuneration system in detail

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

The total remuneration to be granted to the Management Board (sum total of all remuneration amounts disbursed by the company

for all serving Management Board members in the financial year, including fixed remuneration, variable remuneration components and fringe benefits) is to be capped at an absolute maximum amount ("maximum remuneration") regardless of the financial year in which a component of remuneration is paid. Remuneration for 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 a. M., 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 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 of the 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 12 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, along with achieving targets in the "sustainability" and "budget adherence" categories, variable remuneration may also not be paid at all.

2. Fixed remuneration components

2.1. Fixed basic salary

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

2.2. Fringe benefits

In addition, members of the Management Board are granted contractually defined fringe benefits. These fringe benefits include in particular benefits in kind, specifically 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 as well as 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 SDAX as the relevant peer group, and
- 30 % attainment of the agreed sustainability targets.

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

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

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

The granting of virtual shares as a share-based remuneration component contributes to aligning the interests of Management Board members and shareholders more strongly and promotes the strategic goal of sustainably raising the company's value. 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 item 5 German Stock Corporation Act (AktG))

The holding period of the virtual shares is four years.

V. Clawback option for the company for reclaiming variable remuneration components

(Section 87a (1) s. 2 item 6 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) s. 2 item 7 AktG. With regard to further details required, reference is made to the explanations under Section III.3.2.

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

1. Terms and conditions for ending remuneration-related transactions, including the respective notice periods

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

The employment contracts of Management Board members are concluded for a fixed period and 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) German Stock Corporation Act (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) German Stock Corporation Act (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) s. 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 87 a (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. Moreover, the amount of the remuneration and the structure is also measured against the 3U HOLDING share price trend on the stock exchange in comparison with the SDAX price index. The rules and regulations which apply to avoiding and handling conflicts of interest are also observed during the process of defining and implementing the remuneration system.

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

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

Report on the remuneration of members of the Management Board in the financial year 2022

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

Remuneration of the members of the Management Board (in kEUR)	Michael Schmidt Spokesman of the Management Board (until 25/05/2022)				Andreas Odenbreit Management Board			
	2022 kEUR	2022 %	2021 kEUR	2021 %	2022 kEUR	2022 %	2021 kEUR	2021 %
Fixed remuneration	120	22.3	300	49.0	200	15.3	150	71.1
Taxable non-cash benefits and other fringe benefits	14	2.6	36	5.9	508*	38.8	15	7.1
Total fixed remuneration and fringe benefits	134	24.9	336	54.9	708	54.1	165	78.2
One-year variable remuneration	125	23.2	276	45.1	45	3.4	46	21.8
Performance-based remuneration weclapp	280	51.9	0	0.0	500	38.2	0	0.0
Multi-year variable remuneration								
LTI 2022	0	0.0	0	0.0	55	4.2	0	0.0
LTI 2021	0	0.0	0	0.0	0	0.0	0	0.0
Total variable remuneration	405	75.1	276	45.1	600	45.9	46	21.8
Pension allowances	0	0.0	0	0.0	0	0.0	0	0.0
Total remuneration	539	100.0	612	100.0	1,308	100.0	211	100.0

*Of which kEUR 493 financial advantage from exercising share options.

**Due in the short term in an amount of kEUR 211.

***kEUR 75 already paid in 2021; a residual amount of kEUR 292 was due and payable in the short term on 31 December 2021.

****Performance-based remuneration is based on Section B.I of the remuneration system. This remuneration was already paid in an amount of kEUR 800 in 2022; a residual amount of kEUR 753 is due in the near term.

	Christoph Hellrung Management Board (until 31/10/2021, since 01/06/2022)				Uwe Knoke Management Board (since 01/11/2021)				Management Board total	
	2022 kEUR	2022 %	2021 kEUR	2021 %	2022 kEUR	2022 %	2021 kEUR	2021 %	2022 kEUR	2021 kEUR
	117	13.1	125	47.7	179	45.0	25	56.8	616	600
	15	1.7	99	37.8	19	4.8	3	6.8	556	153
	132	14.8	224	85.5	198	49.7	28	63.6	1,172	753
	26	2.9	38	14.5	45	11.3	7	15.9	241**	367***
	700	78.7	0	0.0	100	25.1	0	0.0	1,580****	0
	32	3.6	0	0.0	55	13.8	0	0.0	142	0
	0	0.0	0	0.0	0	0.0	9	20.5	0	9
	758	85.2	38	14.5	200	50.3	16	36.4	1,963	376
	0	0.0	0	0.0	0	0.0	0	0.0	0	0
	890	100.0	262	100.0	398	100.0	44	100.0	3,135	1,129

The total remuneration of the Management Board granted in 2022 amounted to kEUR 2,993 (2021: kEUR 1,129 million).

The following applies to one-year variable remuneration: Over the period under review, Management Board members Christoph Hellrung and Michael Schmidt only served periodically at 3U HOLDING AG. Accordingly, the one-year variable remuneration was paid on a pro-rata temporis basis.

The following applies to the multi-year variable remuneration: In consideration of the degree to which targets are likely to be achieved, the number of virtual shares expected to be paid out is initially calculated. In a second step, the current value per virtual share is ascertained, taking account of the 30-day share price performance on the reporting date and the accumulated dividend equivalent through to the reporting date. The expected payout at the end of the term is determined as a minimum of the applicable payout amount not capped and the maximum payout amount of kEUR 55 a year and Management Board member. The payout amount not capped corresponds to the product of the expected number of virtual shares and the actual value of each virtual share, including dividend equivalent. The amount calculated in this final step is then discounted over the remaining holding period using a congruent risk-free interest rate. The proportion of the amount from these calculations which accords with the holding period already elapsed is to be posted to the provision. As a result, provisions are recognised as follows in the financial year 2022: kEUR 13 for Board members Uwe Knoke and Andreas Odenbreit and kEUR 4 for Board member Christoph Hellrung.

Bonus payments for the divestiture of the shares in weclapp SE in accordance with Section B.I of the remuneration system are as follows: kEUR 500 for Board member Andreas Odenbreit, kEUR 100 for Board member Uwe Knoke, kEUR 700 for Board member Christoph Hellrung and kEUR 233 for Board member Michael Schmidt.

In this context, the Supervisory Board based bonus payments on the rules applicable to the originally envisaged initial public offering (IPO). In doing so, the following was factored in: In the event of weclapp SE's listing, the company meaning 3U HOLDING AG would have received funds of around EUR 100 – 200 million in consideration of the fact that it held a majority of the shares in weclapp SE in its portfolio. Through the sale of 3U HOLDING AG's shares in weclapp SE, the funds received by 3U HOLDING AG were substantially higher. Moreover, it should be noted that, in the case of an IPO, the risk positions regarding the remaining holding would have been a great deal higher. This relates, on the one hand, to the development of weclapp itself while, on the other, the remaining share package could most likely only have been monetised through markdowns.

Management Board member Christoph Hellrung will receive a bonus that is kEUR 200 higher overall. He was due share options based on his service as a member of weclapp SE's Management board. The purchasing party insisted that, when laying down his office, the Board member waive all entitlements to any other compensation, in particular participation in weclapp SE's share option programme. Foregoing these entitlements was an overriding requirement of the purchasing party for taking over the shares in the business and thus necessary for completing the transaction. From a financial standpoint, the Supervisory Board regards the higher amount of bonus paid as compensation for relinquishing the legal position, without which the sale would not have gone through. Moreover, the higher amount rewards the additional service by the Board member in connection with his switching to weclapp SE's management board at short notice and transitioning his activities as 3U HOLDING AG's Chief Financial Officer.

Effective 25 May 2022, Michael Schmidt withdrew from the position of Management Board spokesman for personal reasons and left the service of the company. At the same time, he was elected by the Annual General Meeting to 3U HOLDING AG's Supervisory Board on the same date. In his position as Management Board spokesman and as a member of the Supervisory Board, Michael Schmidt was at hand to provide essential support for and to contribute to advancing the weclapp SE transaction. The Supervisory Board therefore considers payment of a bonus totalling kEUR 480 to Michael Schmidt as appropriate. This bonus is to be granted proportionately in accordance with his activities on behalf of the Management Board and his service on the Supervisory Board.

In determining the amount of Management Board bonus to be paid, the Supervisory Board has taken into account the decision on 16 March 2022 not to proceed with the IPO of weclapp SE. In the period thereafter, starting with 23 March 2022, the Management Board contacted private equity investors. The shares in weclapp SE were transferred to the purchasing party (Exact Group) on 30 September 2022. Consequently, the Supervisory Board allowed for a pro-rata temporis bonus amount of kEUR 280 for Board member Michael Schmidt.

In connection with bonus payments, it should be generally noted that, also in the context of the arm's length principle, the Supervisory Board deems the bonus payments appropriate. The Management Board bonus payments account for an amount of less than 1% of the purchase price realised. Bonuses in such dimensions are placed in the lower third of customary bonus payments for private equity transactions.

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

In the previous year, Christoph Hellrung received a one-off special compensation of kEUR 75 in connection with the premature termination of his existing employment contract with 3U HOLDING AG and switching to the position of a member of the subsidiary weclapp SE's Management Board. This special compensation is included in the fringe benefits of kEUR 99, as shown above. With the exception of the transition period of Christoph Hellrung from 26 to 31 May 2022, all remuneration for Management Board activities is borne by 3U HOLDING AG. With the exception cited above, the subsidiaries did not pay any emoluments for services rendered as a member of 3U HOLDING AG's Management Board. In the period up until 31 May 2022, Christoph Hellrung received a remuneration of kEUR 104 as member of weclapp SE's Management Board. In the period up until 31 October 2021, Uwe Knoke received remuneration of kEUR 179 for his role 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 2021 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. The 2021 remuneration system was applied to all Management Board employment contracts in the financial year 2022. With the exception of the aforementioned special bonus for Christoph Hellrung, no deviations were made 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.

The maximum remuneration was exceeded in the case of Christoph Hellrung due to the special bonus and because of the transition period of his activities on behalf of weclapp SE's Management Board and of 3U HOLDING AG. In the case of Andreas Odenbreit, the maximum remuneration was exceeded due to the financial advantage accruing from exercising share options. The maximum remuneration was not achieved regarding the other members of the Management Board.

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

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

Application of the performance criteria	Target attainment of the Management Board for variable remuneration (2022, in percent)	Share in % 2022
Quantitative targets		
	Adherence to budget	100
	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

A 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 four years is shown below

Vertical comparison of Management Board remuneration (respectively year-on-year change in percent)	2019	2020	2021	2021 (continuing operations)	2022	2022 (continuing operations)
Development of Management Board remuneration	-0.95 %	2.47 %	49.14 %	9.38 %	144.29 %	-15.15 %
Earnings trend of the Group – EBIT	103.25 %	8.06 %	13.80 %	-10.74 %	2,285.74 %	0.04 %
Earnings trend of the Group – EBT	153.68 %	13.18 %	19.49 %	-7.07 %	2,462.98 %	9.57 %
Average employee remuneration	4.84 %	3.23 %	1.28 %	-10.54 %	2.20 %	-0.58 %

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.

2018 Share Option Plan

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

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

Information on share options as of 31 December 2022 in units:

Name	Function	Share options
Andreas Odenbreit	Management Board	166,666 units
Uwe Knoke	Management Board (since 01/11/2021)	100,000 units
Christoph Hellrung	Management Board (until 31/10/2021 and since 26/05/2022)	166,666 units

In December 2022, Andreas Odenbreit fully exercised the 166,666 share options allocated to him. Following the end of the financial year, in January 2023, Christoph Hellrung fully exercised the 166,666 share options allocated to him, and Uwe Knoke exercised 60,000 of the 100,000 share options allocated to him. Similarly, in January 2023, Michael Schmidt (Management Board spokesman at the time of share allocation; member of the Supervisory Board since May 2022) fully exercised the 166,666 shares allocated to him.

Reference is made to Note 8.3 in the notes to the consolidated financial statements for further information on shareholdings by members of the Management Board and the Supervisory Board.

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. The remuneration system was supplemented pursuant to a Supervisory Board decision taken on 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.

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.

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-commerce 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 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 in terms of the Group, the market capitalisation achieved at initial listing (closing price on the first day of trading) is to be calculated proportionately in relation to the share of the respective group-affiliated subsidiary/subsidiaries; this share forms the basis for calculating the special bonus to be paid.

With regard to special bonuses pertaining to the sale of the shares held in weclapp SE to an international software group, the rules for stock market listing were applied analogously, as described in the context of Management Board remuneration, with the amounts attributable to the individual Supervisory Board members as follows: Ralf Thoenes kEUR 400, Stefan Thies kEUR 300, Jürgen Beck-Bazlen kEUR 200. After taking up his position on the Supervisory Board, Michael Schmidt as the Supervisory Board member responsible for disposing of shares, provided a great deal of support in the process of selling the shares. Accordingly, the Supervisory Board approved a pro-rata temporis bonus of kEUR 200 for Supervisory Board member Michael Schmidt.

In consideration of the above, the Supervisory Board remuneration for 2022 totalled kEUR 1,279 (2021: kEUR 158 million). Performance-related remuneration of kEUR 1,200 was accrued for 2022 (2021: kEUR 90). The payment of special bonuses is subject to the proviso that the Annual General Meeting passes the respective resolution.

Remuneration of the Supervisory Board* (in kEUR)	Ralf Thoenes		Stefan Thies		Jürgen Beck-Bazlen		Michael Schmidt (since 01/07/2022)		Supervisory Board total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Fixed remuneration	10	10	8	8	5	5	3	0	26	23
Attendance fees	15	15	15	15	15	15	8	0	53	45
Sub-total	25	25	23	23	20	20	11	0	79	68
Performance-based remuneration	40	40	30	30	20	20	10	0	100	90
Special bonus weclapp sale	400	0	300	0	200	0	200	0	1,100	0
Total remuneration	465	65	353	53	240	40	221	0	1,279	158

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

In addition, Supervisory Board members are reimbursed for their travel expenses and other outlays. The following reimbursements were made in the financial year 2022: kEUR 3.8 for Ralf Thoenes (2021: kEUR 0.1), kEUR 0.2 for Stefan Thies (2021: kEUR 0.0) and kEUR 0.1 for Jürgen Beck-Bazlen (2021: kEUR 0.0). Ralf Thoenes also received attendance fees and reimbursement of expenses amounting to kEUR 3 for his Supervisory Board activity at 3U ENERGY AG in the financial year 2022 (2021: kEUR 0).

Specific information on share option schemes

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

2018 Share Option Plan

The 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 AktG)
- Group 3: Employees of the company in key positions at the first management tier below the Management Board and other employees of the company
- Group 4: Employees of German and international affiliated companies (Section 15 AktG) in key positions on the first management tier below the senior management team and other employees of German and international affiliated companies (Section 15 AktG)

A total of 2,771,998 share options had been issued under the 2018 Share Option Plan as of 31 December 2022. The distribution to the individual groups is as follows:

Groups	Share options issued	Maximum number of share options to be issued
Group 1:	499,998	500,000
Group 2:	1,400,000	1,900,000
Group 3:	272,000	350,000
Group 4:	600,000	781,401
Total:	2,771,998	3,531,401

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

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

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

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

Of the 2,771,998 share options issued under this scheme 1,150,000 share options had expired and 515,666 options had been exercised as of the balance sheet date (31 December 2022).

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

116 Disclosures required by takeover law

Disclosures 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 AktG. However, in accordance with Article 13 (2) of the Articles of Association in conjunction with Section 179 (2) sentence 2 AktG, resolutions of the Annual General Meeting are adopted by a simple majority of the votes cast, unless a different majority is required by law. If, in addition, the German Stock Corporation Act stipulates a majority of the share capital represented at the time of the resolution, the simple majority of the capital represented is sufficient, as far as legally permissible.

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

In the financial year 2022, 515,666 share options under the 2018 Share Option Plan were exercised. As of 31 December 2022, the share capital consisted of 35,829,682 no-par value bearer shares (31 December 2021: 35,314,016 shares). All shares grant the same rights. Each share confers one vote and is decisive for a share in the profit. The rights and obligations arising from the shares are based on the statutory provisions.

For more detailed information on shareholders' equity, please refer to the notes to the consolidated financial statements (Note 6.7).

Supervisory Board member Michael Schmidt held 25.12 % of the company's shares as of 31 December 2022.

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 19 May 2026 by a total of up to EUR 7,062,803.00 through issuing new no-par value bearer shares against cash and/or non-cash contributions. 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 AktG, 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 yet been passed on the appropriation of profit. The Management Board is authorised, with the approval of the Supervisory Board, to determine further details of the conditional capital increase and its implementation.

The Management Board availed itself of this authorisation with the 2018 Share Option Plan. Detailed information on the 2018 Share Option Plan can be found in the remuneration report as an integral part of this annual report. Following the end of the financial year 2022, further changes in the total number of voting rights and in share ownership by the Management Board and the Supervisory Board resulted from the exercising of options under the 2018 Share Option plan. These changes are disclosed under Note 8.3 in the notes to consolidated financial statements.

Notification pursuant to Section 19 Market Abuse Directive

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

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

In the financial year 2022, this applied to the following share transactions:

On 5 October 2022, Supervisory Board member Jürgen Beck-Bazlen notified 3U HOLDING AG of the purchase of 7,000 shares. On 13 December 2022, Management Board member Andreas Odenbreit gave notification of the purchase of 166,666 shares by way of exercising options under the 2018 Share Option Plan. In the financial year ended, no other transactions which fall under director's dealings were reported to 3U HOLDING AG.

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.

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

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

Assurance by the Legal Representatives

We give our assurance that, to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated annual financial statements give a true and fair view of the net assets, financial position and result of operations of the Group and that the 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 'Hellrung', written in a cursive style.

Christoph Hellrung

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

Uwe Knoke

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

Andreas Odenbreit



Consolidated Financial Statements for the Financial Year 2022

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Consolidated Statement of Financial Position

Assets 3U Group (in kEUR)	Notes to the consolidated financial statements [Note]	31/12/2022	31/12/2021
Non-current assets		34,148	71,516
Intangible assets	[2.3.7] [2.3.8] [2.3.15] [6.1.1]	2,325	30,579
Property, plant and equipment	[2.3.9] [2.3.23] [6.1.2]	28,407	35,210
Rights of use	[2.3.10] [2.3.14] [6.1.3]	2,585	3,681
Other financial assets	[6.1.5]	88	93
Deferred tax assets	[2.3.18] [6.2]	632	1,808
Other non-current assets	[6.1.5]	111	145
Current assets		209,455	47,531
Inventories	[2.3.16] [6.3]	10,780	11,921
Trade receivables	[2.3.13] [6.4.1] [6.1.1]	3,601	4,744
Contract assets	[6.4.2]	0	11,305
Income tax receivables	[6.5]	358	1,030
Other current assets	[6.5]	5,014	5,816
Cash and cash equivalents	[2.3.13] [6.6] [6.1.1]	189,702	12,715
Total assets		243,603	119,047

Shareholders' equity and liabilities 3U Group (in kEUR)	Notes to the consolidated financial statements [Note]	31/12/2022	31/12/2021
Shareholders' equity	[6.7]	211,172	62,112
Subscribed capital (Conditional Capital kEUR 3,016 / 31 December 2020: kEUR 3,531)	[6.7.1]	35,830	35,314
Capital reserve	[6.7.1]	12,201	14,821
Retained earnings		-849	-849
Profit/loss carried forward		4,195	3,044
Net income		158,987	2,917
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		210,364	55,247
Non-controlling interests	[6.7.4]	808	6,865
Non-current liabilities		19,913	41,945
Non-current provisions	[2.3.17] [6.10]	1,453	1,281
Non-current financial liabilities	[6.8]	15,143	29,261
Non-current lease liabilities	[2.3.14] [6.1.3]	2,292	3,184
Deferred tax liabilities	[2.3.18] [6.2]	625	4,315
Other non-current liabilities	[6.8]	400	3,904
Current liabilities		12,518	14,990
Current provisions	[2.3.17] [6.10]	575	407
Current income tax liabilities	[6.9]	808	595
Current financial liabilities	[6.8]	1,403	1,614
Current lease liabilities	[2.3.14] [6.1.3]	641	975
Trade payables	[2.3.13] [6.11]	3,044	3,884
Other current liabilities	[2.3.13] [2.3.19] [6.9] [6.11]	6,047	7,515
Total shareholders' equity and liabilities		243,603	119,047

Consolidated Statement of Income

3U Group (in kEUR)	Notes to the consolidated financial statements [Note]	Financial year 01/01-31/12 2022			Financial year 01/01-31/12 2021		
		Continuing operations	Discontinued operations	Group	Continuing operations	Discontinued operations	Group
Revenue	[2.3.1] [5.1]	50,319	12,336	62,655	44,772	11,171	55,943
Other income	[5.2]	13,218	162,478	175,696	17,669	1	17,670
Changes in inventories of finished services and work in progress	[5.3]	386	0	386	289	0	289
Other capitalised services	[5.4]	0	839	839	10	750	760
Cost of materials	[5.5]	-32,592	-352	-32,944	-28,883	-403	-29,286
Gross profit/loss		31,331	175,301	206,632	33,857	11,519	45,376
Personnel expenses	[5.6]	-8,251	-11,345	-19,596	-8,600	-6,380	-14,980
Other operating expenses	[5.7]	-14,594	-6,850	-21,444	-16,044	-3,087	-19,131
EBITDA		8,486	157,106	165,592	9,213	2,052	11,265
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-3,395	-1,111	-4,506	-3,910	-594	-4,504
EBIT		5,091	155,995	161,086	5,303	1,458	6,761
Financial result	[2.3.4] [2.3.5] [5.9]	54	-168	-114	-412	-60	-472
EBT		5,145	155,827	160,972	4,891	1,398	6,289
Income taxes	[2.3.6] [5.10]	-1,388	-183	-1,571	-1,967	-280	-2,247
Earnings before non-controlling interests		3,757	155,644	159,401	2,924	1,118	4,042
Net profit/loss for the period		3,757	155,644	159,401	2,924	1,118	4,042
Of which attributable to non-controlling interests		607	-193	414	823	302	1,125
Of which consolidated net income		3,150	155,837	158,987	2,101	816	2,917
Earnings per share, basic (in EUR)	[2.2.5] [5.11]	0.09	4.41	4.50	0.06	0.02	0.08
Earnings per share, diluted (in EUR)	[2.2.5] [5.11]	0.08	4.18	4.26	0.06	0.02	0.08

Consolidated Statement of Comprehensive Income

3U Group (in kEUR)	01/01-31/12	
	2022	2021
Net income for the period	159,401	4,042
Of which attributable to 3U HOLDING AG shareholders	158,987	2,917
Of which attributable to non-controlling interests	414	1,125
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	159,401	4,042
Of which attributable to 3U HOLDING AG shareholders	158,987	2,917
Of which attributable to non-controlling interests	414	1,125

126 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]				
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

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]				
As of 1 January 2022	35,314	0	14,821	5,112
Dividend payment for the 2021 financial year	0	0	0	-1,766
Net income 2022	0	0	0	158,987
Share option plans	516	0	623	0
Contributions from/disbursements to non-controlling interests	0	0	0	0
Changes in the consolidation scope	0	0	-3,243	0
As of 31 December 2022	35,830	0	12,201	162,333

Other comprehensive income Exchange rate differences	Hedging instruments	Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	Total shareholders' equity
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

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

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	
		2022	2021
Net income		159,401	4,042
+/- Write-downs/write-ups of fixed assets		4,509	4,504
+/- Increase/decrease in provisions		412	19
-/+ Profit/loss from the disposal of non-current assets		-167,374	-1,874
-/+ Increase/decrease in inventories and trade receivables		10,401	-15,414
+/- Increase/decrease in trade payables		-199	679
+/- Changes in other receivables		184	-1,247
+/- Changes in other payables		7,896	1,432
+/- Change in tax assets/liabilities, including deferred taxes		942	18
+/- Other non-cash changes		370	46
Cash flow from operating activities		16,542	-7,795
+ Cash inflow from disposals of property, plant and equipment		6	5,104
- Cash outflow for investments in property, plant and equipment		-9,820	-6,024
- Cash outflow for investments in intangible assets		-1,183	-1,277
+ Cash inflow from disposals of financial assets		0	13
+ Cash inflow from the sale of consolidated companies and other business units		158,814	0
- Cash outflow from the acquisition of consolidated companies and other business units		0	-13,237
Cash flow from investing activities		147,817	-15,421
Amount carried forward*		164,359	-23,216

*See following page

3U Group (in kEUR)	Notes to the consolidated financial statements [Note 2.2.3 and 7]	01/01-31/12	
		2022	2021
Amount carried forward*		164,359	-23,216
+ Cash inflow from additions to equity (capital increases, sale of treasury shares, etc.)		639	0
- Cash outflow to companies' owners and minority interest (dividend, equity capital payback, purchase of treasury shares, other disbursements)		-1,972	-2,032
+ Cash inflow from borrowings		16,426	14,950
- Disbursements from the repayment of bonds and (financial) loans		-1,415	-2,740
- Disbursements from the repayment of leasing liabilities		-1,050	-951
Cash flow from financing activities		12,628	9,227
Total cash flow		176,987	-13,989
+/- Change in disposal restrictions on cash and cash equivalents		2,210	-2,294
+/- Changes in cash and cash equivalents due to consolidation effects		0	283
Cash and cash equivalents at the beginning of period		7,617	23,617
Cash and cash equivalents at the end of period		186,814	7,617
Total change in cash and cash equivalents		179,197	-16,000

*See previous page

130 Notes to the Consolidated Financial Statements

1 General information about the Group

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

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

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

Discontinued operations

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

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

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

The cash and cash equivalents no longer attributable to the Group as from 1 October 2022 are offset against the cash inflow from the purchase price under the sale and disclosed in investing activities as part of the cash flow statement.

The cash flows from discontinued operations break down as follows:

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

The following table shows the net disposal gain from deconsolidation:

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

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

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

2 Accounting and valuation policies

2.1 Accounting principles

These consolidated annual financial statements comprise 3U HOLDING AG and its subsidiaries. The consolidated financial statements of 3U HOLDING AG for the 2022 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 2022 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 company register.

The consolidated financial statements were prepared in euros. The figures are stated in the consolidated financial statements in thousands of euros (kEUR) and were rounded up to whole kEUR. For arithmetical reasons, rounding differences 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 2020 and adopted into EU law.

The following standards were applied for the first time:

- 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)

*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 17: "Insurance Contracts" (1 January 2023)*
- Further amendments to IFRS 17: "Insurance Contracts" – initial application of IFRS 17 and IFRS 9 – comparative information – (1 January 2023)*
- Amendments to IAS 1; IFRS Practice Statement 2: "Disclosure of Accounting Policies" (1 January 2023)*
- Amendments to IAS 8: "Accounting Policies and Accounting Estimates, Changes in Accounting Estimates and Errors– Definition of Accounting Estimates" (1 January 2023)*
- Amendments to IAS 12: "Income– Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (1 January 2023)*

The IASB has published 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 2024)*
- Amendments to IFRS 16 (September 2022): "Lease Liability in a Sale and Leaseback Transaction" (1 January 2021)*

The individual effects of the changes are examined by the parent company 3U HOLDING AG for the Group. In particular, we do not expect any notable impact from changes to IFRS 17, IAS 1, IAS 8, IAS 12, IAS 1 and IFRS 16.

2.2 Principles of consolidation

2.2.1 Scope and policies of consolidation

In the financial year 2022, the scope of consolidation for 3U HOLDING AG as of 31 December consisted of 24 (previous year: 28) 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.

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

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 operation 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 reported in 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, or 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 2022 and 2021. The functional currency has therefore not been translated.

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

As in the previous year, no notable expenses and gains resulted on balance from exchange rate fluctuations due to foreign currency transactions in the 2022 financial year. Recognition in the income statement is included in other operating income or expenses.

2.2.3 Statement of cash flows

The statement of cash flows shows how the cash of the 3U Group changed during the reporting year as a result of monies coming in and going out. In accordance with IAS 7, a differentiation is made between cash flows from operating activities (indirect method), from investing activities and from financing activities.

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

2.2.4 Use of estimates and assumptions

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

Actual amounts may deviate from these estimates and assumptions.

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

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

2.2.5 Earnings per share

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

2.3 Accounting and valuation principles

2.3.1 Principles of revenue realisation

Sales revenue from ordinary business operations is disclosed under revenue and income from real estate development activities reported under other income. Revenue is recognised 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 date-related and period-related contractual obligations.

Revenue in the ITC segment results from activities as a fixed line network provider with its own transmission network and its own switching technology, as well as services related to its own data centres. This segment also includes revenue from the distribution and operation of cloud-based CRM and ERP solutions (up until 30 September 2022) as well as from the IT licensing business.

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

Revenue in the SHAC segment is generated from marketing products from sanitary, heating and air conditioning technology.

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

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

Revenue from construction contracts and service contracts (rendering services) is 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 recorded in relation to the specific period on a straight-line basis over the term of the contract.

2.3.2 Total cost

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 as a rule. Development expenses incurred with standard-based customised development projects (in respect of which the IAS-38 criteria are cumulatively fulfilled) are capitalised within a limited scope and written down over the estimated economic useful life. Development costs of EUR 0.8 million were capitalised in the financial year 2022 (previous year: EUR 0.4 million; see Note 6.1.1). The 3U Group's research and development costs amounted to EUR 3.0 million (previous year: EUR 3.1 million) in the financial year 2022.

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 expenses of EUR 0.28 million (previous year: EUR 0.14 million) were capitalised in the 2022 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 cash outflows over the term of the financial liabilities to arrive the net carrying amount of these liabilities.

2.3.6 Income taxes

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

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

2.3.7 Goodwill

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

Reference is made to the explanations in Note 2.3.15.

2.3.8 Other intangible assets

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

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

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

Reference is made to the explanations in Note 2.3.15.

2.3.9 Property, plant and equipment

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

The 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 specific tangible assets are significant – in relation to the overall acquisition and production costs – 3U accounts for them separately and applies depreciation.

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

Reference is made to the explanations in Note 2.3.15.

2.3.10 Rights of use

Rights of use are reported in accordance with IFRS 16. These relate to rights of use to land and buildings amounting to kEUR 2,355 (previous year: kEUR 3,310) and rights of use to other equipment, furniture and fixtures amounting to kEUR 230 (previous year: kEUR 371).

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 2022.

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

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 Finanzinstrumente

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

Classification and measurement

IFRS 9 defines three categories for measuring financial assets:

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

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

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

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

Under IFRS 9, a 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 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 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 lease payments
- Variable lease payments which depend on the development of an index or price
- Expected payments for residual value guarantees
- Exercise price of a call option, if exercise is sufficiently certain
- Penalties for premature termination of a contract if the lease term indicates that the lessee will exercise this option

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

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

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

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

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

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

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

3U examines goodwill for possible impairment in accordance with the Group's accounting regulations at least once a year. Determination of the recoverable amount 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- to six-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.

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

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

Goodwill was determined in the context of business combinations with ITscope GmbH and FinanzGeek GmbH in the financial year 2021. Upon the deconsolidation of these companies on 30 September 2022, the respective goodwill was also derecognised within the 3U Group.

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 effect on profit or loss.

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

2.3.19 Other non-financial liabilities

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

2.3.20 Acquisition of treasury shares

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

2.3.21 Employee participation programme

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

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

Share options numbering 2,771,998 were issued under the 2018 Share Option Plan, 1,150,000 of which had expired as of the end of the reporting period, with 515,666 share options having been exercised. The option rights under the 2018 Share Option Plan may be exercised within eight years after a four-year vesting period, starting with day on which the option is issued, for the first time as from December 2022.

As of 31 December 2022, the share price (base value of the option) stood at EUR 4.14 per share, which is significantly above the exercise price of EUR 1.24 per share. The share price volatility derived from historical figures means that the fair value of the option when the share options were issued was EUR 0.198.

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

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

2.3.22 Comparative figures

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

Revenue in connection with the real estate development activities of InnoHubs GmbH (developer revenue) is disclosed under "Other income" in accordance with the progress made in construction, and the construction expenses incurred are reported under other operating expenses. In the previous year, property development income was offset against the respective construction expenses and shown net under their income. The year-earlier figure was therefore adjusted. The respective contract assets were reported as a sum total under trade receivables; the figure recognised in the previous year was adjusted and disclosed separately in the statement of financial position.

Furthermore, work in progress was recognised under inventories in the previous year and shown accordingly in the income statement as changes in inventory for which the developer contracts concluded were available. Part of this amount this was attributable to a contract with another Group company. The previous year's figures have been adjusted accordingly and the amount shown under construction in progress as part of non-current assets.

The following disclosures in the statement of financial position and in the statement of income have been adjusted overall as follows:

Statement of financial position:

Construction in progress:	kEUR +1,664
Inventories:	kEUR -1,664
Trade receivables:	kEUR -11,305
Contract assets:	kEUR +11,305

Consolidated statement of income:

Other income:	kEUR +10,813
Changes in inventory:	kEUR -1,664
Other operating expenses:	kEUR -9,149

The changes in disclosure listed above result in the respective changes in the presentation of the cash flow statement (cash flow from operating activities: kEUR +1,664; cash flow from investing activities: kEUR -1.664), segment reporting (adjustment of the aforementioned items in the income statement under "Other activities") and in the statement of changes in non-current assets (additions within historical acquisition/production costs: kEUR +1,664).

The aforementioned corrections to disclosures have not led overall to any corrections in the consolidated result reported in the previous year.

2.3.23 Determination of fair value

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

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

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

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

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

3 Scope of consolidation

Subsidiaries included in the full consolidation:

Company	Registered office	Country	Share held by 3U HOLDING AG*
010017 Telecom GmbH	Marburg	Germany	100 %
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 %
fon4U Telecom GmbH	Marburg	Germany	100 %
Immowerker GmbH**	Marburg	Germany	100 %
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 %
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 repayments and/or dividend distributions based on a letter of comfort or subordination agreement by the parent company or for reason of capital service provisions in loan agreements. Reference is made to Note 6.8.

Changes in the scope of consolidation

Compared with 31 December 2021, the following changes in the scope of consolidation took place:

InnoHubs GmbH

By way of the share purchase agreement of 2 June 2022, 3U HOLDING AG sold its 75 % stake held in Würzburg-based InnoHubs GmbH. Under this company, an innovative office building was erected in the immediate vicinity of Würzburg University. Following payment of the purchase price, the company was deconsolidated as of 1 September 2022.

weclapp SE, ITscope GmbH and FinanzGeek GmbH

Through a share purchase agreement and transfer agreement dated 3 September 2022, 3U HOLDING AG sold its 70.9524 % stake in Frankfurt am Main-based weclapp SE. The transfer of the shares in weclapp SE was effected in the context of closing on 30 September 2022. Along with the sale of the shares in weclapp SE, Karlsruhe-based ITscope GmbH and Worms-based FinanzGeek GmbH, both wholly owned subsidiaries of weclapp SE, were deconsolidated effective midnight on 30 September. In the context of divesting these companies, the accounting standards under IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” have been complied with. For further explanations, references made to Note 1 and to the presentation of continuing and discontinued operations in the Consolidated financial statements as at 31 December 2022 and the previous year.

As of 31 December 2022, 24 (31 December 2021: 28) 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 2021: 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.

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 2022**
3U DYNAMICS GmbH	Marburg	Germany	100 %	EUR	32,461.56	-8,575.98
3U MOBILE GmbH	Marburg	Germany	100 %	EUR	3,095.29	-1,603.20
ACARA Verwaltung GmbH	Marburg	Germany	100 %	EUR	22,420.75	823.26
EEPB Erneuerbare Energien Planungs-und Beratungs-gesellschaft mbH	Marburg	Germany	100 %	EUR	53,519.23	-1,652.54
Märkische Windkraft 89 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-1,971.55	-1,092.20
Märkische Windkraft 112 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-14,670.33	-1,094.70
Windpark DBF GmbH	Marburg	Germany	100 %	EUR	-325.74	-1,651.00
Windpark Bürgerenergie Ostprignitz-Ruppin 3 GmbH & Co. KG	Berlin	Germany	9.090 %	EUR	-7,236.63	-1,777.90
Windpark Bürgerenergie Teltow-Fläming 3 GmbH & Co. KG	Berlin	Germany	8.330 %	EUR	-7,427.12	-1,777.90
Windpark Havelland Projekt II GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-5,572.01	-1,165.47
Windpark Merzdorfer Heide I GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-10,833.71	-1,064.00
Windpark Merzdorfer Heide II GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-3,764.79	-1,111.80
Windpark Ruppin Projekt GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-3,596.81	-1,064.00
Windpark Ruppin Projekt 2 GmbH & Co. KG	Berlin	Germany	99.998 %	EUR	-2,947.40	-1,064.00

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

**Domestic – prior to profit transfer

4 Segment reporting

Segment reporting 2022 01/01-31/12/2022 (in kEUR)	ITC	Renewable Energies	SHAC	Subtotal	Other activities	Reconcili- ation	Group
Third-party revenue	11,584	7,203	31,506	50,293	20	6	50,319
Revenue from other segments/business areas	556	0	5	561	1,866	-2,427	0
Intercompany revenue (intra-segment revenue)	1,433	153	19,029	20,615	0	-20,615	0
Total revenue	13,573	7,356	50,540	71,469	1,886	-23,036	50,319
Less intercompany revenue	-1,433	-153	-19,029	-20,615	0	20,615	0
Segment revenue/Group revenue	12,140	7,203	31,511	50,854	1,886	-2,421	50,319
Other operating income	1,194	77	408	1,679	11,831	-292	13,218
Changes in inventory	0	388	-2	386	0	0	386
Cost of materials	-6,668	-371	-25,566	-32,605	0	13	-32,592
Gross profit or loss	6,666	7,297	6,351	20,314	13,717	-2,700	31,331
Personnel expenses	-2,281	-152	-3,022	-5,455	-2,796	0	-8,251
Other operating expenses	-1,247	-3,746	-3,211	-8,204	-8,609	2,219	-14,594
EBITDA	3,138	3,399	118	6,655	2,312	-481	8,486
Depreciation and amortisation	-464	-1,995	-721	-3,180	-649	434	-3,395
EBIT	2,674	1,404	-603	3,475	1,663	-47	5,091
Financial result*	76	-656	-327	-907	3,049	-2,088	54
Other financial result	76	-656	-327	-907	3,049	-2,088	54
Income tax	19	-504	0	-485	-903	0	-1,388
Result from continuing operations	2,769	244	-930	2,083	3,809	-2,135	3,757
Of which attributable to non-controlling interests	0	7	-23	-16	623	0	607
Segment result/Group result from continuing operations	2,769	237	-907	2,099	3,186	-2,135	3,150
Result from discontinued operations							155,644
Of which attributable to non-controlling interests							-193
Of which attributable to group result from discontinued operations							155,837

*Before profit transfer

Segment reporting 2021 01/01-31/12/2021 (in kEUR)	ITC	Renewable Energies	SHAC	Subtotal	Other activities	Reconcili- ation	Group
Third-party revenue	11,851	6,280	26,964	45,095	2	0	45,097
Revenue from other segments/business areas	230	10	0	240	1,620	-2,185	-325
Intercompany revenue (intra-segment revenue)	1,871	224	15,965	18,060	16	-17,799	277
Total revenue	13,952	6,514	42,929	63,395	1,638	-19,984	45,049
Less intercompany revenue	-1,871	-224	-15,965	-18,060	-16	17,799	-277
Segment revenue/Group revenue	12,081	6,290	26,964	45,335	1,622	-2,185	44,772
Other operating income	1,151	615	171	1,937	15,955	-223	17,669
Changes in inventory	0	234	55	289	0	0	289
Other capitalised services	0	0	0	0	0	10	10
Cost of materials	-7,191	-306	-21,389	-28,886	-2	5	-28,883
Gross profit or loss	6,041	6,833	5,801	18,675	17,575	-2,393	33,857
Personnel expenses	-2,313	-177	-3,008	-5,498	-3,102	0	-8,600
Other operating expenses	-1,353	-2,027	-3,319	-6,699	-11,516	2,171	-16,044
EBITDA	2,375	4,629	-526	6,478	2,957	-222	9,213
Depreciation and amortisation	-456	-2,722	-523	-3,701	-498	289	-3,910
EBIT	1,919	1,907	-1,049	2,777	2,459	67	5,303
Financial result*	15	-647	-173	-805	1,617	-1,224	-412
Other financial result	15	-647	-173	-805	1,617	-1,224	-412
Income tax	-47	-497	0	-544	-1,423	0	-1,967
Result from continuing operations	1,887	763	-1,222	1,428	2,653	-1,157	2,924
Of which attributable to non-controlling interests	0	107	-27	80	743	0	823
Segment result/Group result from continuing operations	1,887	656	-1,195	1,348	1,910	-1,157	2,101
Result from discontinued operations							1,118
Of which attributable to non-controlling interests							302
Of which attributable to group result from discontinued operations							816

*Before profit transfer

In accordance with the standards stipulated by IFRS 8 “Operating Segments”, 3U HOLDING AG’s segment reporting applies the management approach regarding segment identification.

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

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

The ITC segment comprises the activities Voice Retail, Voice Business and Data Center Services & Operation, along with 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, tradespeople and DIYers form part of the SHAC segment. Distribution is mainly carried out via the Group’s online stores.

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

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

Upon divesting the shares in weclapp SE and its subsidiaries and the deconsolidation of operations as of 30 September 2022, the accounting standards pursuant to IFRS 5 regarding discontinued operations have been observed. Reference is made to the explanations under Note 1. Segment reporting in the financial year, as well as in the previous year was adjusted in line with the continuing operations.

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– 31/12/2022	ITC	Renewable Energies	SHAC	Other Activities/ reconci- liation	Continuing operations	Dis- continued activities
Cash flow from operating activities	1,109	4,412	1,174	12,544	19,239	-2,697
Cash flow from investing activities	300	-200	-90	-21,959	-21,949	169,766
Cash flow from financing activities	-423	-2,716	-573	24,819	21,107	-8,480

Cash flow data 2021 (in kEUR) 01/01– 31/12/2021	ITC	Renewable Energies	SHAC	Other Activities/ reconci- liation	Continuing operations	Dis- continued activities
Cash flow from operating activities	-1,299	1,896	-2,237	-9,001	-10,641	2,846
Cash flow from investing activities	-445	0	-546	1,238	247	-15,668
Cash flow from financing activities	-523	-3,946	1,195	1,930	-1,344	10,571

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

3U Group – Assets (in kEUR)	ITC	Renewable Energies	SHAC	Other Activities/reconciliation	Total	Assets not allocated	Total consolidated assets
Assets as of 31/12/2022	10,267	20,384	17,965	5,285	53,901	189,702	243,603
Assets as of 31/12/2021	43,756	23,372	16,582	22,622	106,332	12,715	119,047

3U Group – Assets (in kEUR)	ITC	Renewable Energies	SHAC	Other Activities/reconciliation	Total	Reconciliation*	Total consolidated liabilities/shareholder's equity
Liabilities as of 31/12/2022	6,017	29,759	18,443	-21,788	32,431	211,172	243,603
Liabilities as of 31/12/2021	30,143	31,070	16,458	-20,736	56,935	62,112	119,047

*Equity/shares of minority interest

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

Non-current assets with a book value of kEUR 2 (previous year: kEUR 3) were located abroad in 2022.

(In kEUR)	Depreciation and amortisation		Investments	
	2022	2021	2022	2021
ITC	464	456	163	457
Renewable Energies	1,995	2,722	200	0
SHAC	721	523	92	564
Other Activities/Reconciliation	215	209	7,927	3,849
Total	3,395	3,910	8,382	4,870

Revenue from core services

(In kEUR)	2022	2021
Continuing operations		
Areas within the ITC segment		
Voice Retail	1,632	1,847
Voice Business Customer	7,223	7,261
Data Center Services & Operation	2,393	2,026
Consulting/IT security/trading in IT licences	892	947
Total ITC segment	12,140	12,081
Areas within the Renewable Energies segment		
Wind	4,757	4,485
Photovoltaic	2,437	1,782
Other	9	23
Total Renewable Energies segment	7,203	6,290
Areas within the SHAC segment		
Sanitary, heating and air conditioning technologies	31,511	26,964
Total SHAC segment	31,511	26,964
Other activities	1,886	1,622
Reconciliation	-2,421	-2,185
Total continuing operations	50,319	44,772

The 3U Group achieved a share in revenue of kEUR 3,627 (7.2 %) through its largest customer in the Renewable Energies segment in the financial year elapsed. In the previous year, the largest customer that originated in the ITC segment contributed a share of kEUR 3,822 (8.5 %) to revenue.

Geographical distribution of revenues

(In kEUR)	2022	2021
ITC	12,140	12,081
Of which domestic	9,826	9,706
Of which foreign	2,314	2,375
Renewable Energies	7,203	6,290
Of which domestic	7,203	6,290
Of which foreign	0	0
SHAC	31,511	26,964
Of which domestic	28,872	24,485
Of which foreign	2,639	2,479

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

Sales abroad were mainly achieved in the countries listed below:

(In kEUR)	2022	2021
Austria	2,186	1,813
Ireland	897	667
Switzerland	626	661
Netherlands	144	118
Italy	138	148
Belgium	127	321

5 Notes to the consolidated income statement

5.1 Revenue

Revenue generated from activities as a provider of telecommunications is 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.

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

The proceeds from the leasing of property are generally 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)	2022	2021
Services	11,257	11,149
Telecommunication services/DCS/Operation	11,248	11,134
Other	9	15
Sale of goods	39,597	34,186
Energy and photovoltaics	7,194	6,257
Sanitary, heating and air conditioning technologies	31,511	26,964
IT licences	892	948
Other products	0	17
Other Activities	1,886	1,622
Reconciliation	-2,421	-2,185
Total Continuing Activities	50,319	55,943

5.2 Other income

Other income breaks down as follows:

(In kEUR)	2022	2021
Developer revenue office building InnoHubs	9,184	13,600
Income from deconsolidation	2,171	0
Expense allowances for information pursuant to the Telecommunications Surveillance Ordinance (TKÜV)	1,036	1,082
Income from the reversal of provisions / provisions with liability characteristics	261	100
Income from rentals	254	83
Income from other accounting periods	106	128
Income from the reduction of allowances	14	85
Insurance compensation	11	34
Income from asset disposals	3	1,881
Release of contingent purchase price liabilities	0	556
Other income	178	120
Total	13,218	17,669

In the financial year 2022, proceeds from the sale of InnoHubs GmbH were disclosed under other income and reported in an amount of deconsolidation gains totalling kEUR 1,325 million (previous year: kEUR 0). Other income also comprises proceeds of EUR 9,184 million (previous year: EUR 13,600 million) from the sale of parts of premises in the office property being built in Würzburg in accordance with progress made in construction through to the deconsolidation of InnoHubs GmbH. The areas of the building included consisted of those for which notarised purchase agreements were available. Revenue from developer activity was recognised in accordance with revenue recognition over time specified under IFRS 15. Revenue from developer activity amounting to kEUR 10,384 not yet realised as of 31 December 2021 will likely be realised within 15 months.

The areas of the building included consisted of those for which notarised purchase agreements were available. Income from asset disposal also comprised proceeds from the sale of (part) of the Adelebsen property totalling around kEUR 1,881.

5.3 Changes in inventory

As in the previous year, the positive change in inventory of kEUR 386 (previous year: kEUR 289) essentially results from wind farm project development.

5.4 Own work capitalised

Own work capitalised amounts to kEUR 0 (previous year: kEUR 10).

5.5 Cost of materials

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

(In kEUR)	2022	2021
Cost of goods	25,530	21,285
Connection services	3,026	3,529
Expenses for purchased services	2,175	2,438
Network costs	904	757
Expenses in trade of IT licences	673	694
Project performance in renewable energies	272	168
Costs of interconnection	12	12
Total	32,592	28,883

5.6 Personnel expenses

Personnel expenses break down as follows:

(In kEUR)	2022	2021
Salaries and wages	6,477	7,165
Social security contributions	1,223	1,217
Other personnel expenses	551	218
Total	8,251	8,600

Other personnel expenses include expenses of kEUR 134 (previous year: kEUR 67) relating to the 2018 Share Option Plan.

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

Segment	2022	2021
ITC	38	38
Renewable Energies	4	3
SHAC	64	65
Holding	33	35
Continuing operations	139	141
Discontinued operations	135	113
Total	274	254

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 employer's payments to the statutory pension insurance amounted to kEUR 551 (previous year: kEUR 541). No defined benefit commitments were made.

5.7 Other operating expenses

Other operating expenses include the following items:

(In kEUR)	2022	2021
Property development construction costs	6,179	9,149
Amortization of project development costs	1,592	0
Maintenance	1,412	1,210
Advertising and hospitality expenses	831	828
Sales commissions/brokerage fees	799	711
Other consulting costs	491	470
Premises expenses/rental expenses	368	518
Year-end closing and audit costs	313	224
Incidental costs of monetary transactions	304	258
Telephone/shipping costs	273	269
Costs for software, licences, trademarks and similar rights	242	139
Travel and vehicle expenses	224	266
Insurances	215	232
Supervisory Board remuneration, incl. travel expenses	194	163
Expenses for other accounting periods	158	66
Technical consultancy costs	148	335
Operating lease for mobile economic goods	116	102
External services/third party work	110	72
Contributions, fees and donations	57	90
Voluntary social expenses and business courtesies	30	28
Value adjustments to receivables	21	47
Legal advice and court costs	19	16
Costs of continuous professional development	18	21
Cost of recruitment	15	17
Bad debt	14	81
Other taxes	5	68
Subsequent purchase price adjustments	0	360
Other operating expenses*	446	304
Total	14,594	16,044

**Other operating expenses include expenses of kEUR 5 (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 2,785 (previous year: kEUR 3,278).

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 the economic useful life or the term of the contract, whichever is shorter. The amortisation of rights of use amounts to kEUR 610 (previous year: kEUR 631).

5.9 Financial result

This item comprises interest from current and loan accounts. The financial result also includes interest expenses from leasing liabilities in an amount of kEUR 45 (previous year: kEUR 52).

(In kEUR)	2022	2021
Interest and similar income	541	50
Interest income	541	50
Interest expenses for financial liabilities	-436	-404
Interest expenses for leasing liabilities	-45	-52
Other interest and similar expenses	-2	-6
Interest expenses	-483	-462
Write-downs of financial assets	-4	0
Total	54	-412

5.10 Income taxes

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

(In kEUR)	2022	2021
Current income tax expenses	667	867
Deferred taxes	721	1,100
Total	1,388	1,967

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the financial year 2022, profit was subject to corporation tax of 15 % plus a 5.5 % solidarity surcharge. Trade tax in Marburg amounted to 12.495 % in 2022. The income tax rate for the Group (parent company) stood at 28.32 % (previous year: 29.825 %).

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

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

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

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

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

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

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

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

Reconciliation	2022 kEUR	2022 %	2021 kEUR	2021 %
Earnings before taxes	5,145	100	4,891	100
Income tax rate (28.32 %; previous year: 29.825 %)				
Calculated tax income/expenses	1,457	28.3	1,459	29.8
Non-deductible expenses / tax-exempt income	140	2.7	29	0.6
Effects of allowance of deferred taxes / non-inclusion of deferred taxes from loss carry forwards	383	7.5	439	9.0
Use of tax loss carryforwards, in the previous year no recording	0	0	-111	-2.3
Effect of tax rate differences of foreign tax jurisdictions	0	0	-1	0
Deviations due to different trade tax collection rates	8	0.2	-39	-0.8
Effects from deconsolidation	-615	-12.0	257	5.3
Aperiodic tax effects	60	1.2	-40	-0.8
Other	-45	-0.9	-26	-0.6
Effective tax expenses	1,388	27.0	1,967	40.2

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:

(In kEUR)	2022	2021
Basis of the earnings per share		
(share in net profit attributable to the shareholders of the parent company in kEUR)	158,987	2,917
Number of ordinary shares issued (ex treasury shares)		
As of 1 January	35,314,016	35,314,016
As of 31 December	35,829,682	35,314,016
Gewichteter Durchschnitt der Anzahl der Stammaktien für das unverwässerte Ergebnis	35,338,716	35,314,016
Effect of dilutive potential of ordinary shares:*		
Options issued as at 31 December	1,652,998	2,771,998
Weighted number of dilutive options	1,994,624	2,212,836
Gewichteter Durchschnitt der Anzahl von Stammaktien für das verwässerte Ergebnis	37,333,340	37,526,852
Earnings per share from continuing operations (undiluted) (in EUR)	0.09	0.06
Earnings per share from continuing operations (diluted) (in EUR)	0.08	0.06
Earnings per share from discontinued operations (undiluted) (in EUR)	4.41	0.02
Earnings per share from discontinued operations (diluted) (in EUR)	4.18	0.02
Earnings per share, undiluted (in EUR)	4.50	0.08
Earnings per share, diluted (in EUR)	4.26	0.08

*In the financial year 2022, 544,000 share options expired. In the financial year 2021, 174,000 share options expired. In the financial year 2020, 412,000 share options expired. In the financial year 2019, 20,000 share options expired. As of 31 December 2022, 1,146,000 share options had expired. The programme ended on 24 May 2021, as scheduled.

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 (Notes 6.14.1 and 6.14.2).

6.1.1 Intangible assets

The carrying amounts of intangible assets are as follows:

(In kEUR)	31/12/2022	31/12/2021
Self-created industrial property rights and similar rights and assets	0	591
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	1,722	11,639
Goodwill	603	18,349
Total	2,325	30,579

The intangible assets acquired against payment are valued at acquisition 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.

Upon the deconsolidation of the weclapp subgroup, the goodwill ascertained from the business combinations with ITscope GmbH and FinanzGeek GmbH in the financial year 2021 was derecognised within the 3U Group. The goodwill in question stems from the business combination with ITscope GmbH in an amount of kEUR 17,648 and from that of FinanzGeek GmbH in an amount of kEUR 98.

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 of 3U ENERGY PE GmbH). The purchase of Windpark Langendorf GmbH & Co. KG, the general partner GmbH, together with Repowering Sachsen-Anhalt GmbH resulted in goodwill of kEUR 22. All instances of goodwill were allocated to the Renewable Energies segment.

As in the previous year, impairment tests were carried out on the following cash-generating units in the financial year 2022: "Onlineshop", project development (3U ENERGY PE GmbH) and the generating of wind energy (Windpark Langendorf GmbH & Co. KG).

In the financial year 2022, the value in use determined in the context of the impairment tests exceeded the carrying amounts of the cash-generating units in all cases so that no impairment of goodwill in the financial year 2022 was 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. Revenue in the Langendorf wind farm was determined on the basis of remuneration anticipated for 2022 from contractually agreed remuneration rates and comparable remuneration rates of other wind farms, calculated with an availability of initially at least 97 %.

In calculating the values in use as of 31 December 2022, a weighted average cost of capital (WACC) before tax was applied as follows: 13.05 % (previous year: 7.69 %) to the "Onlineshop" cash-generating unit, 19.25 % (previous year: 11.15 %) to project development (3U ENERGY PE GmbH), 18.35 % (previous year: 14.88 %) to generating wind energy (Windpark Langendorf GmbH & Co. KG).

Owing to the high scalability of their products, a growth rate of 1.25 % in WACC was factored in in the phase of perpetuity for the cash-generating units with unlimited economic useful life, specifically the "Onlineshop". Limited economic 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 the cost of capital as well as changes in the expected feed-in tariff in the context of WF project developments which have a direct impact on the achievable sales revenues were assumed. The sensitivity analysis also revealed that the recoverable amounts of the cash-generating units exceed the carrying amount respectively.

An impairment test was carried out as of the balance sheet date in accordance with IAS 36.12 as the carrying value of the Group's net assets exceeded the company's market capitalisation following the sale of weclapp SE. In calculating the value in use as of 31 December 2022, a weighted average cost of capital (WACC) of 9.79 percent was applied. Moreover, unlimited economic useful life was assumed. A value in use which exceeded the Group's book value was calculated as part of the impairment test. Consequently, no impairment of the assets was recognised in the financial year. 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.

The disclosure under land and buildings essentially pertains to the logistics hub completed in the financial year 2021. The technical facilities of the Adelebsen solar park and of the wind farms are essentially reported as technical equipment and machinery. In the previous year, disclosure under assets under construction relates to the building of an office property in Würzburg and, in this context, part of the building for which no purchase agreements for the sale of some office space have been concluded. This space was deconsolidated through the sale of InnoHubs GmbH in the financial year 2022.

6.1.3 Rights of use and lease liabilities

In accordance with IFRS 16, rights of use in the context of leases amounting to kEUR 2,585 (previous year: kEUR 3,681) were reported under non-current assets as of 31 December 2022. Rights of use were mainly recognised for leases in which the 3U Group as the lessee has concluded agreements for vehicle leasing and leasing of technical office equipment as well as rent for buildings and wind farm areas. There are extension options for the wind park areas. There are otherwise no other extension or purchase options.

As of 31 December 2022, long-term lease liabilities of kEUR 2,292 (previous year: kEUR 3,184) and short-term lease liabilities of kEUR 641 (previous year: kEUR 975) 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 lease arrangements amount to kEUR 169 in the 2022 financial year (previous year: kEUR 264). Leases for an asset of minor value incurred expenses of kEUR 33 in the 2022 financial year (previous year: kEUR 33).

Expenses of variable lease payments not included in the measurement of the lease liability amount to kEUR 79 in the 2022 financial year (previous year: kEUR 96).

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 stood at kEUR 1,103 in the financial year 2022 (previous year: kEUR 1,295).

6.1.4 Investment property

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

Similar to 31 December 2021, 3U HOLDING AG did not have any investment properties as of 31 December 2022.

6.1.5 Investments 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.

Consequently, as with year-end 2021, no financial assets were recognised in accordance with the equity method applied within the 3U Group as of 31 December 2022.

The carrying value of joint venture Spider Telecom GmbH accounted for using the equity method developed as follows:

Carrying amount (in kEUR)	2021
As of 1 January	14
Disposal from the sale	14
As of 31 December	0

Other financial assets

Other financial assets include the project shelf companies in the area of wind farm project development as well as other companies whose influence on the Group's net assets, financial position and results of operations is of minor importance, both individually and collectively.

6.2 Deferred taxes

Deferred taxes are calculated after accounting for temporary differences under the liability method in accordance with IAS 12.

3U HOLDING AG utilises the netting option provided for by IAS 12 whereby deferred tax assets and liabilities are reported net if they relate to the same tax authority (for the relevant taxable entity). In the reporting year, deferred tax liabilities were offset against deferred tax assets on loss carryforwards in an amount of kEUR 1,328 (previous year: kEUR 5,473).

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

Deferred taxes (in kEUR)	31/12/2022		31/12/2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	52	-174	1,372	-2,542
Property, plant and equipment	0	-1,023	0	-1,111
Rights of use	0	-323	0	-860
Inventory	0	-163	3,266	-171
Other assets	234	-221	246	-4,289
Provisions	0	-37	0	-42
Liabilities	348	-12	1,098	-772
Loss carry forwards	1,326	0	1,299	0
Subtotal	1,960	-1,953	7,281	-9,787
Netting	-1,328	1,328	-5,473	5,473
Total	632	-625	1,808	-4,314

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 20,022 (previous year: kEUR 22,558) for corporate tax and kEUR 22,674 (previous year: kEUR 25,370) for trade tax and essentially relate to the loss carryforwards for companies under development or inactive companies and those at 3U HOLDING AG.

As of the balance sheet date, taxable temporary differences associated with subsidiaries existed in an amount of kEUR 315 (previous year: kEUR 847) on which no deferred taxes have been accrued since neither sale nor profit distributions are planned.

Within the tax group of 3U ENERGY AG, deferred taxes of kEUR 465 (previous year: kEUR 351) were recognised in 2022 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)	31/12/2022	31/12/2021
Raw materials and supplies	541	365
Work in progress	3,222	4,426
Finished products and goods	7,017	7,130
Total	10,780	11,921

Inventories amounting to kEUR 0 (previous year: kEUR 0) were recognised at the net realisable value. Write-ups did not take place, neither in 2022 nor in 2021.

Work in progress includes the Group's wind farm project developments. As on the year-earlier reporting date, there were no security assignments as of 31 December 2022.

6.4 Trade receivables and contract assets

6.4.1 Trade receivables

Trade receivables consist of the following:

(In kEUR)	31/12/2022	31/12/2021
Trade receivables before valuation allowances	4,019	5,231
Valuation allowances	-418	-487
Total	3,601	4,744

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)	31/12/2022	31/12/2021
Other receivables	116	109
Valuation allowances	0	0
Total	116	109

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 of trade receivables of kEUR 418 (previous year: kEUR 487) due from debtors against which insolvency proceedings have been opened and where receivables are older than one year and default is deemed highly probable. The recognised impairment is the result of the difference between the carrying amount of the receivable and the present value of the anticipated liquidation proceeds.

The carrying amount of trade receivables is the fair value.

The Group's most important financial assets consist of bank balances and cash in hand, trade and other receivables. The Group's default risk mainly results from trade receivables. The amounts of the statement of financial position include the valuation allowance for expected uncollectible receivables based on management experience and estimations of the company's current economic environment. The default risk regarding cash and cash equivalents is limited as these are held primarily by banks which have high credit ratings from international rating agencies.

6.4.2 Contract assets

As of 1 January 2021, contract assets and contract liabilities did not exist. Contract assets were derecognised in the financial year 2022 in the context of deconsolidating InnoHubs GmbH.

6.5 Other current assets and receivables from income tax refunds

These comprise the following:

(In kEUR)	31/12/2022	31/12/2021
Receivables from tax refunds	407	2,599
Advance payments	444	606
Other	4,521	3,641
Total	5,372	6,846

Income tax receivables of kEUR 358 (previous year: kEUR 1,030) are included in receivables from tax refunds.

3U HOLDING AG's gold holdings of kEUR 2,981 (previous year: kEUR 2,970) are disclosed under Other. Furthermore, this item comprises receivables of kEUR 642 from 3U Group employees (previous year: kEUR 0).

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 Equity

6.7.1 Subscribed capital

Owing to the share options exercised in the financial year 2022, the nominal share capital increased by 515,666 shares to 35,829,682 no-par value bearer shares with a nominal value of EUR 1.00 per share. 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.

Authorised Capital

By way of resolution by 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 22 May 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 3,015,735 (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 2018 share option programme, 2,771,998 share options were issued; as of the reporting date on 31 December 2022, 1,150,000 share options had expired and 515,666 share options had been exercised. 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 2022, the company recognised a capital reserve of kEUR 12,201 (previous year: kEUR 14,821) as well as retained earnings of kEUR -849 (previous year: kEUR -849). Retained earnings developed negatively in connection with the acquisition of non-controlling interests.

The capital reserve of kEUR 12,201 (previous year: kEUR 14,821) includes the premium over the nominal amount from the issuing of shares in 3U HOLDING AG in an amount of kEUR 23,089 (previous year: kEUR 22,975). The 2018 share option programme and the share options exercised in 2022 resulted in an increase in the capital reserve of kEUR 247 (previous year: kEUR 67). Running counter to this, the capital reserve declined by kEUR 2,867 in connection with the sale of the weclapp subgroup.

Treasury shares

As of 31 December 2022, the company did not have any treasury shares, as was the case on 31 December 2021.

Dividend payments

Dividend of EUR 0.05 (previous year: EUR 0.05) per share entitled to profit participation was distributed for the 2021 financial year (total: kEUR 1,766; previous year: kEUR 1,766). For the financial year 2022, the Management Board and the Supervisory Board propose to distribute EUR 3.20 per share entitled to profit participation. In accordance with this proposal, dividend payment in its entirety was calculated at kEUR 114,655 on the basis of 35,829,682 shares forming part of the share capital. Added to this is a further amount for dividend distribution regarding shares entitled to dividend on the date of the Annual General Meeting.

The remaining liquidity from the sale of Hubs GmbH and of the weclapp subgroup significantly improves the 3U Group's capital resources. These funds are to be used essentially to expand the Group's business activities in its three segments. To this end, investment is planned in organic and inorganic growth.

6.7.2 Share buyback programme

The company does not have a share buyback programme.

6.7.3 Employee participation programme

2018 Share Option Plan

The 2018 Share Option Plan features the following key elements:

Beneficiaries are:

- Group 1: Members of the company's Management Board
- Group 2: The company's authorised representatives and members of the management in affiliated companies in Germany and abroad (Section 15 AktG)
- Group 3: Employees of the company in key positions at the first management tier below the Management Board and other employees of the company
- Group 4: Employees of German and international affiliated companies (Section 15 AktG) in key positions on the first management tier below the senior management team and other employees of German and international affiliated companies (Section 15 AktG)

A total of 2,771,998 share options had been issued under the 2018 Share Option Plan as of 31 December 2022. The allocation to the individual groups is as follows:

Group	Share options issued	Maximum number of share options to be issued
Group 1:	499.998	500.000
Group 2:	1.400.000	1.900.000
Group 3:	272.000	350.000
Group 4:	600.000	781.401
Total	2.771.998	3.531.401

The option rights under the 2018 Share Option Plan may be exercised within eight years from the date of the issue of the option after the vesting period, starting with day on which the options were issued and for the first time as from December 2022.

The option rights may not be exercised in the period between the tenth day of the last month 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	2022
As of 1 January	2,165,998	2,339,998
Expired	544,000	174,000
Exercised	515,666	0
As of 31 December	1,106,332	2,165,998

6.7.4 Shares of non-controlling interests

The equity interest of non-controlling interests amounts to kEUR 808 (previous year: kEUR 6,865).

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

(In kEUR)	31/12/2022	31/12/2021
weclapp SE	0	5,110
Windpark Røge GmbH & Co. Betriebs-KG	906	1,095
InnoHubs GmbH	0	737
Windpark Klostermoor GmbH & Co. Betriebs-KG	28	39
ITscope GmbH	0	20
FinanzGeek GmbH	0	-32
Calefa GmbH	-37	-33
samoba GmbH	-89	-71
Summe	808	6,865

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

weclapp SE

	31/12/2021
Share in %	29,0476
Revenue in kEUR	10,994
EBITDA in kEUR	2,097
Assets in kEUR	26,003
Liabilities in kEUR	17,516
Total cash flow in kEUR	-716
Share in profit attributable to non-controlling interests in kEUR	313

Windpark Roge GmbH & Co. Betriebs-KG

	31/12/2022	31/12/2021
Share in %	49,91	49,91
Revenue in kEUR	891	1,258
EBITDA in kEUR	380	815
Assets in kEUR	2,973	3,436
Liabilities in kEUR	1,157	1,242
Total cash flow in kEUR	-65	118
Share in profit attributable to non-controlling interests in kEUR	10	110

An amount of kEUR 199 (previous year: kEUR 265) was distributed to the non-controlling shareholders in the financial year 2022.

InnoHubs GmbH

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

samoba GmbH

	31/12/2022	31/12/2021
Share in %	30.00	30.00
Revenue in kEUR	255	130
EBITDA in kEUR	-36	-44
Assets in kEUR	53	123
Liabilities in kEUR	350	358
Total cash flow in kEUR	-47	57
Share in profit attributable to non-controlling interests in kEUR	-18	-23

6.8 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.

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 2022, the loan was valued at kEUR 9,030 (previous year: kEUR 9,363). A further loan of kEUR 248 was taken out to finance the photovoltaic plant installed on the logistics property in Koblenz in 2021. The loan has a term to maturity which ends on 30 June 2041. The loan is secured by way of pledging the photovoltaic plant as collateral and had a carrying amount of kEUR 229 as of 31 December 2022 (previous year: kEUR 241).

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 6,754 as of 31 December 2022 (previous year: kEUR 7,598). In the financial year 2016, the financing of the solar park was increased by the addition of a further loan of kEUR 1,000 with the same maturity date. This loan is secured by the collateral provided for the original loan. The loan had a carrying amount of kEUR 533 as of 31 December 2022 (previous year: kEUR 600). Within the framework of this loan a credit of kEUR 694 (previous year: kEUR 694) was also pledged on a debt service reserve account.

In addition, a long-term annuity loan of kEUR 500 existed as of 31 December 2021 at Volksbank Bruchsal-Bretten through the take-over of shares in ITscope GmbH. The loan has a term to maturity which ends on 31 March 2030. The loan had a carrying amount of kEUR 403 on 31 December 2021. Similarly, a further redeemable loan of kEUR 1,000 was taken out from Volksbank Bruchsal-Bretten. The loan is secured by way of a bonding facility extended by R+V Allgemeine Versicherung AG in an amount of kEUR 500 with a term which runs until 30 December 2028. The loan had a carrying amount of kEUR 1,000 on 31 December 2021. Upon the deconsolidation of ITscope GmbH in the financial year 2022, these loans payable no longer existed.

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 had a carrying amount of kEUR 11,571 on 31 December 2021. The credit balance on the developer account stood at kEUR 2,294 on 31 December 2021. Upon the deconsolidation of InnoHubs GmbH in the financial year 2022, these loans payable no longer existed.

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 2022 as part of a guarantee facility amounting to kEUR 567 (previous year: kEUR 575). 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, pertaining to continuing activities, including interest payments, the following fall due on 31 December:

(In kEUR)	31/12/2022	31/12/2021
Within a year	1,633	1,664
Between one and five years	6,226	6,349
After five years	9,668	11,031
Total	17,527	19,044

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 399; previous year: kEUR 2,839).

As of 31 December 2021, along with IT licence trading, these liabilities also include obligations resulting from weclapp SE's licence agreements.

Furthermore, the long-term portion of the purchase price payment from acquiring the cop software through ITscope GmbH in 2020 and the anticipated subsequent purchase price adjustment totalling kEUR 1,065 (previous year: kEUR 0) were reported under non-current liabilities as of 31 December 2021. Similarly, these liabilities no longer exist due to the deconsolidation of ITscope GmbH.

6.9 Other current liabilities and current income tax liabilities

These comprise the following:

(In kEUR)	31/12/2022	31/12/2021
Purchase price obligations/reimbursement	547	1,395
Other taxes	1,573	709
Provisions of a liability nature	1,069	163
Personnel obligations	1,899	1,062
Income taxes	808	595
Other liabilities	4,959	4,186
Total	6,855	8,110

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 and the sale of the Lüdersdorf wind farm. In the previous year, purchase price liabilities from acquiring ITscope GmbH, along with the current portion from the obligation arising from ITscope GmbH's acquisition of the cop software, 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 2022 and on 31 December 2021 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 366; previous year: kEUR 3,855). Along with IT license trading, these included obligations from the license agreements of weclapp SE and ITscope GmbH as well.

6.10 Provisions

Provisions break down as follows:

(In kEUR)	31/12/2022 Current	31/12/2022 Non-current	31/12/2021 Current	31/12/2021 Non-current
Restoration obligations	0	1,453	0	1,281
Litigation risks	20	0	20	0
Other	555	0	387	0
Total	575	1,453	407	1,281

The provisions developed as follows:

(In kEUR)	As of 01/01/2022	Utilisation	Reversal/ disposal	Accumu- lation	Allocation	Changes in the scope of consoli- dation	As of 31/12/2022
Restoration obligations	1,281	6	24	0	202	0	1,453
Litigation risks	20	0	0	0	0	0	20
Other	387	334	0	0	574	-72	555
Total	1,688	340	24	0	776	-72	2,028

Provisions for restoration obligations are of a long-term nature and were set up for the restoration of the original state of various engineering sites and wind farm properties.

The changes in the scope of consolidation pertain to the deconsolidation of weclapp SE and its subsidiaries. Other provisions mainly comprise provisions for year-end expenses and provisions in the context of risk provisioning for potential profit skimming in the Renewable Energies segment.

6.11 Reporting on financial instruments

The table below shows a breakdown of carrying amounts according to the measurement categories and classes of IFRS 9 as of 31 December 2022:

(In kEUR)	Measurement category acc to IFRS 9	Book values as at 31/12/2022	Book values as at 31/12/2021
Assets			
Non-current financial assets			
Other	AC	111	145
Current financial assets			
Trade receivables and other receivables			
Trade receivables	AC	3,601	16,049
Other assets	AC	5,014	5,816
Cash and cash equivalents	AC	189,702	12,715
Financial assets at amortised cost	AC	198,428	34,725
Liabilities			
Non-current liabilities			
Financial liabilities	AC	15,143	29,261
Lease liabilities	n. a.	2,292	3,184
Other	AC	400	3,904
Current financial liabilities			
Financial liabilities	AC	1,403	1,614
Current trade and other payables			
Current trade payables	AC	3,044	3,884
Other liabilities	AC	6,047	7,515
Current lease liabilities	n.a.	641	975
Financial liabilities at amortised cost	AC	28,970	50,337

AC = Amortized cost

Liabilities are divided into non-current liabilities of kEUR 17,835 (previous year: kEUR 36,349) and current liabilities of kEUR 11,135 (previous year: kEUR 13,988). The total interest expense/income from financial liabilities measured at fair value through profit or loss amounted to kEUR 0 in the financial year 2022 (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 21 (previous year: kEUR 84).

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 330 (previous year: kEUR 737) which are not impaired and older than twelve months stood at kEUR 16 (previous year: kEUR 19) and between six and twelve months at kEUR 0 (previous year: kEUR 49). As in the previous year, there were no other financial assets which were past their due date and impaired in the financial year 2022.

The fair value of the financial liabilities stood at kEUR 14,997 as of 31 December 2022 (book value: kEUR 16,546). In the previous year, the fair values mainly corresponded to their carrying amounts. As in the previous year, the fair value of the financial assets, mainly corresponded to their carrying amounts in the period under review.

Neither financial liabilities measured at amortised cost nor financial liabilities measured at fair value through profit or loss incurred net gains/net losses in the reporting year or in the previous year.

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 2022, financial assets of kEUR 97.6 (previous year: kEUR 62.5; amount after netting: kEUR 65.3/previous year: kEUR 40.4) and financial liabilities of kEUR 230.8 (previous year: kEUR 244.5; amount after netting: kEUR 198.5/previous year: kEUR 222.4) existed which are subject to a netting agreement and were not netted out as of the balance sheet date.

Pledged collaterals generally exist for financial liabilities and are explained in Note 6.8.

6.12 Contingent liabilities and other financial liabilities

The following financial obligations existed as of 31 December:

(In kEUR)	31/12/2022	31/12/2021
Within one year	817	17,984
More than one and less than five years	69	383
More than five years	0	0
Total	886	18,367

The purchase commitments included in other financial obligations amount to kEUR 759 (previous year: kEUR 17,855). The purchase commitment resulted from orders placed in the e-commerce business in the financial year. In the previous year, they resulted from a general contractor agreement for the building of an office property in Würzburg and took account of payments still outstanding, as well as orders placed for goods in the e-commerce business.

The other financial obligations relate to rental agreements for office space, technical areas, technical equipment and cars from items designated under Note 6.1.3, insofar as these were not accounted for as rights of use and leasing liabilities in accordance with IFRS 16. The contracts in question have a residual term of 1 to 5 years.

As in the previous year, a collateral restriction of EUR 1.5 million (collateral deposited) exists for the collateralisation of 3U's own credit line. There are also restrictions on the availability of capital service reserves in connection with the financing of the Adelebsen solar park amounting to EUR 0.69 million (previous year: EUR 0.69 million). In addition, overnight money of EUR 0.46 million (previous year: EUR 0.46 million) was deposited as collateral for a guarantee facility at the Langendorf wind farm, and money market accounts of the Klostermoor wind farm amounting to EUR 0.23 million (previous year: 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 on 31 December 2021. Upon the company's deconsolidation, this liability has been derecognised in the Group's accounts.

weclapp SE concluded a loan agreement of kEUR 3,300 for the purpose of financing its acquisition of premises in the InnoHubs building. This loan was only utilised after 31 December 2021 and was derecognised upon the sale of the company.

6.13 Legal disputes and contingent liabilities

The 3U Group's operations may result in various legal disputes from time to time. The uncertainty of the outcome of these proceedings may possibly generally exert a negative impact on future operating results. Provisions for unsettled legal disputes totalling kEUR 20 (previous year: kEUR 20) had been formed for existing legal disputes as of 31 December 2022.

6.14.1 Development of fixed assets 2022

3U Group (in kEUR)		Historical costs					
	As of 01/01/2022	Additions	Reclassi- fications	Disposals	Reclassifica- tion of dis- posal values	Changes in the scope of consolidation	As of 31/12/2022
I. Intangible assets							
1. Self-created industrial property rights and similar rights and assets	591	362	0	0	0	-953	0
2. Purchased concessions, industrial property rights and similar rights and assets and licenses to such rights and assets	17,008	829	0	0	0	-10,904	6,933
3. Customer base	331	0	0	0	0	0	331
4. Goodwill	18,362	0	0	0	0	-17,746	616
Total intangible assets	36,292	1,191	0	0	0	-29,603	7,880
II. Property, plant and equipment							
1. Land and buildings including buildings on third party land	14,989	63	0	4	0	-221	14,827
2. Technical equipment and machinery	40,839	274	0	23	0	-89	41,001
3. Other equipment, plant and office equipment	2,945	233	0	76	0	-935	2,167
4. Construction in progress	4,518	9,250	0	0	0	-13,397	371
Total property, plant and equipment	63,291	9,820	0	103	0	-14,642	58,366
III. Rights of use							
Rights of use from leasing contracts	6,164	1,354	0	73	0	-2,374	5,071
Total rights of use	6,164	1,354	0	73	0	-2,374	5,071
IV. Investment properties							
Held as investment properties	0	0	0	0	0	0	0
Total investment properties	0	0	0	0	0	0	0
Total fixed assets	105,747	12,365	0	176	0	-46,619	71,317

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

	As of 01/01/2022	Additions	Accumulated depreciation				As of 31/12/2022		Carrying amounts	
			Reclassi- fications	Disposals	Reclassifica- tion of dis- posal values	Changes in the scope of consolidation			As of 31/12/2022	As of 31/12/2021
	0	0	0	0	0	0	0		0	591
	5,369	1,053	0	0	0	-1,211	5,211		1,722	11,639
	331	0	0	0	0	0	331		0	0
	13	0	0	0	0	0	13		603	18,349
	5,713	1,053	0	0	0	-1,211	5,555		2,325	30,579
	318	344	0	4	0	0	658		14,169	14,671
	25,647	1,966	0	24	0	-54	27,535		13,466	15,192
	2,116	279	0	56	0	-573	1,766		401	829
	0	0	0	0	0	0	0		371	4,518
	28,081	2,589	0	84	0	-627	29,959		28,407	35,210
	2,483	873	0	73	0	-797	2,486		2,585	3,681
	2,483	873	0	73	0	-797	2,486		2,585	3,681
	0	0	0	0	0	0	0		0	0
	0	0	0	0	0	0	0		0	0
	36,277	4,515	0	157	0	-2,635	38,000		33,317	69,470

6.14.2 Development of fixed assets 2021

3U Group (in kEUR)		Historical costs					
	As of 01/01/2021	Additions	Reclassi- fications	Disposals	Reclassifica- tion of dis- posal values	Changes in the scope of consolidation	As of 31/12/2021
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 machinery	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. Construction in progress	8,932	4,047	-8,461	0	0	0	4,518
Total property, plant and equipment	58,422	6,023	-12	1,607	0	465	63,291
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
IV. Investment properties							
Held as investment properties	0	0	0	0	0	0	0
Total investment properties	0	0	0	0	0	0	0
Total fixed assets	70,079	7,541	0	1,928	0	30,055	105,747

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		4,518	8,932
	26,163	3,149	0	1,543	0	312	28,081		35,210	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		69,470	37,137

7 Notes to the statement of cash flows

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

(In kEUR)	31/12/2022	31/12/2021
Time deposits	151,500	1,500
Bank balances and cash	38,202	11,215
Total cash and cash equivalents	189,702	12,715
Less credit balances deposited as collateral/restricted credit balances	2,888	5,098
Cash and cash equivalents	186,814	7,617

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 adjustment for non-cash income and expenses (mainly depreciation/amortisation) and taking into account changes in working capital, the 3U Group recorded a cash inflow from operating activities of kEUR 16,542 (previous year: cash outflow of kEUR -7,795). A determinant factor here is the reduction in inventory and in trade receivables in the context of the property development project for the InnoHubs office building in Würzburg.

The cash flow from investing activities came in at kEUR 147.817 (previous year: kEUR -15.421) and largely resulted from proceeds from the divestiture of the weclapp SE subgroup and from the shares in InnoHubs GmbH. The cash flow from financing activity stood at kEUR 12,628 (previous year: kEUR 9,227) and mainly originates from borrowings for the real estate projects in Würzburg. As in the previous year, exchange-rate-related changes did not occur.

Cash and cash equivalents subject to restrictions on disposal had increased considerably in connection with the InnoHubs building construction project in Würzburg and declined significantly upon the sale of InnoHubs GmbH.

All in all, this results in a cash-effective increase in cash and cash equivalents of kEUR 179,197 (previous year: decrease in cash and cash equivalents of kEUR 16,000).

Of the cash and cash equivalents of kEUR 189,702 (previous year: kEUR 12,715) reported at the end of the period, a total of kEUR 2,888 (previous year: kEUR 5,098) 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 406 (previous year: kEUR 0) received in the 2022 financial year is offset by interest payments of kEUR 734 (previous year: kEUR 553).

Dividend of EUR 0.05 per share (previous year: EUR 0.05) was paid/distributed to the shareholders of 3U HOLDING AG in the 2022 financial year.

For the sale/purchase of shares in subsidiaries, cash and cash equivalents of kEUR 184,292 (previous year: kEUR 283) were received by the Group and kEUR 25,478 (previous year: kEUR 13,237) were disbursed. The purchase prices disclosed were paid in cash.

The cash in- and outflows comprise the following:

(In kEUR)	2022			2021		
	Inflow	Outflow	Net	Inflow	Outflow	Net
Acquisition	0	0	0	283	13,237	-12,954
Disposals	184,292	25,478	158,814	0	0	0
Total	184,292	25,478	158,814	283	13,237	-12,954

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

(In kEUR)	weclapp SE	Itscope GmbH	FinanzGeek GmbH	InnoHubs GmbH	Itscope GmbH	FinanzGeek GmbH
	Sale 2022	Sale 2022	Sale 2022	Sale 2022	Purchase 2021	Purchase 2021
Non-current assets	27,184	6,188	124	10,998	28,679	687
Current assets	4,170	486	27	26,152	572	4
Non-current liabilities	5,723	3,007	0	27,486	6,446	142
Current liabilities	16,791	2,698	569	3,725	1,807	62

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 at the time of deconsolidation.

Net income taxes paid in 2022 amounted to kEUR 764 (previous year: kEUR 2,382). The change in financial liabilities is as follows:

Change in financial liabilities (in kEUR)	01/01/2022	Cash changes	Non-cash changes			31/12/2022
			Addition acc. to IFRS 16	Acquisition	Disposal	
Non-current financial liabilities	29,261	1,850	0	0	15,968	15,143
Current financial liabilities	1,614	-211	0	0	0	1,403
Leasing liabilities	4,159	-1,050	1,457	0	1,633	2,933
Total liabilities from financing activities	35,034	589	1,457	0	17,601	19,479

8 Additional disclosures

8.1 Capital management

The Group manages its capital with the aim of maximising its stakeholders' income by optimising the ratio of equity to debt. The equity ratio is defined as the target figure. In the process, steps are taken to ensure that all Group companies can operate under the going concern assumption.

As of 31 December 2022 and 2021, respectively, shareholders' equity and total assets amounted to:

	31/12/2022	31/12/2021	Change
Equity in kEUR	211,172	62,112	
Equity as % of total capital	86.69	52.17	+34.51 %-points
Liabilities in kEUR	32,431	56,935	
Liabilities as % of total capital	13.31	47.83	-34.51 %-points
Total capital (equity and liabilities) in kEUR	243,603	119,047	

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.

Currency risk

Currency risk exists in particular if receivables, liabilities, cash and cash equivalents and planned transactions exist or occur in a currency other than the company's local currency.

The 3U Group primarily conducts its business operations in Germany and invoices in euros. Trade payables in a foreign currency are of little significance for the Group. 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.

Similar to the previous year, no forward exchange contracts existed as of 31 December 2022.

No assets and liabilities were denominated in a foreign currency as of 31 December 2022. The carrying amount of the Group's monetary assets and liabilities denominated in foreign currency as of the reporting date on 31 December 2021 is attributable to the activities of the ITC segment and is as follows:

Assets:	kEUR 0	(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 increased substantially in connection with the sale of subsidiaries in 2022. The cash inflow from the sale of the shares in InnoHubs GmbH and in weclapp SE significantly exceeded the cash outflow incurred in this context in the financial year 2022. The Group therefore has considerable excess liquidity. Financial planning tools are used across the Group to monitor and manage liquidity. The planning horizon extends to one year.

The Group can draw on credit lines. On the balance sheet date, an amount of kEUR 1,027 (previous year: kEUR 1,035) was utilized in the form of a guarantee as part of bank guarantees.

3U expects to be able to meet its other obligations from operating cash flows and from the inflow of maturing financial assets. Furthermore, 3U assumes that the debt-to-equity ratio will approximate the level of 2021 given the planned dividend and future capital expenditure.

Interest rate risk

Fixed interest rates have predominantly been agreed for 3U's interest-bearing liabilities. Sensitivity analyses within the meaning of IFRS 7.40 were therefore waived.

The risk of rising interest rates from bank loans is monitored in a timely manner.

Price risk

The gold holdings disclosed under other assets are subject to significant price fluctuations. These price fluctuations may lead to devaluations or losses in the context of selling the gold holdings, which could have a considerable impact on the Group's earnings position.

8.3 Related parties

Business with other related parties pertains primarily to supply and service relationships which were conducted at standard market conditions (arm's length transactions) 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 2022, this pertained to income of kEUR 0 (previous year: kEUR 0) and expenses of kEUR 42 (previous year: kEUR 53). Current receivables of kEUR 0 (previous year: kEUR 0) and current liabilities of kEUR 0 (previous year: kEUR 0) existed as of 31 December 2022.

Based on a purchase agreement dated 8 November 2021, InnoHubs GmbH sold parts of the office space to its shareholder WüWi Beteiligungsgesellschaft mbH. Under this purchase agreement, WüWi Beteiligungsgesellschaft mbH bought two units at a purchase price of kEUR 1,167. 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 through to the deconsolidation of InnoHubs GmbH, income of kEUR 107 was realised in the financial year 2022 (previous year: kEUR 159).

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

Michael Schmidt	Marburg Spokesman of the Management Board of 3U HOLDING AG (until 25 May 2022) 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, Marburg
Christoph Hellrung	Hattingen Member of the Management Board of 3U HOLDING AG (since 26 May 2022)
Uwe Knoke	Wedemark Member of the Management Board of 3U HOLDING AG

The total remuneration of the Management Board granted in 2022 amounted to kEUR 3,135 (previous year: kEUR 1,129).

Along with the weclapp performance bonus, the variable remuneration for 2022 includes 100 % of the maximum possible variable remuneration for 2022 of kEUR 100 (Andreas Odenbreit), kEUR 100 (Uwe Knoke) and kEUR 58 (Christoph Hellrung).

Remuneration of the members of the Management Board (in kEUR)	Michael Schmidt Spokesman of the Management Board (until 25/05/2022)		Andreas Odenbreit Management Board		Christoph Hellrung Management Board (until 31/10/2021, and since 26/05/2022)		Uwe Knoke Vorstand (since 01/11/2021)		Management Board total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Fixed remuneration	120	300	200	150	117	125	179	25	616	600
Taxable non-cash benefits and other fringe benefits	14	36	508	15	15	99	19	3	556	153
Total fixed remuneration and fringe benefits	134	336	708	165	132	224	198	28	1,172	753
One-year variable remuneration	125	276	45	46	26	38	45	7	241	367
Performance-based remuneration weclapp	280	0	500	0	700	0	100	0	1,580	0
Multi-year variable remuneration										
LTI 2022	0	0	55	0	32	0	55	0	142	0
LTI 2021	0	0	0	0	0	0	0	9	0	9
Total variable remuneration	405	276	600	46	758	38	200	16	1,963	376
Pension allowances	0	0	0	0	0	0	0	0	0	0
Total remuneration	539	612	1,308	211	890	262	398	44	3,135	1,129

As in the previous year, no share options were issued to the members of the Management Board in the 2022 financial year. As of 31 December 2022, members of the Management Board and of the Supervisory Board held share options as follows:

Name	Function	Share options
Michael Schmidt	Member of the Supervisory Board (since 01/07/2022)	166,666 units
Andreas Odenbreit	Member of the Management Board	0 units
Uwe Knoke	Member of the Management Board (since 01/11/2021)	100,000 units
Christoph Hellrung	Member of the Management Board (until 31/10/2021 and since 26/05/2022)	166,666 units

With the exception of the transition period of Christoph Hellrung from 26 to 31 May 2022, all remuneration for Management Board activities was borne by 3U HOLDING AG. Apart from the aforementioned exception, the subsidiaries did not pay any remuneration during the activity of 3U HOLDING AG's Management Board. In the period up until 31 May 2021, Christoph Hellrung received remuneration of kEUR 104 as a Management Board member of weclapp SE. In the period up until 31 October 2021, Uwe Knoke received remuneration of kEUR 179 as managing director of 3U TELECOM GmbH.

Andreas Odenbreit exercised his share options in an amount of 166,666 in December 2022. The exercising of these share options generated a financial advantage of kEUR 493. To finance the tax levied on this financial advantage, the company granted Andreas Odenbreit an interest-free loan of kEUR 250 with a fixed term through to 15 June 2023. Repayment of the loan, either fully or in part, is possible at any time.

Information on the shares (in units) held by the Management Board and the Supervisory Board as of 31 December 2022:

Name	Function	Number of shares	Share options	
			Number	Value in EUR*
Andreas Odenbreit	Member of the Management Board	187,166	0	0
Uwe Knoke	Member of the Management Board (since 01/11/2021)	0	100,000	19,770
Christoph Hellrung	Member of the Management Board (until 31/10/2021 and since 26/05/2022)	0	166,666	39,250
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	1,376,300	0	0
Michael Schmidt	Member of the Supervisory Board (since 01/07/2022)	8,999,995	166,666	39,250

*Value at the time of granting

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

In the financial year 2022, kEUR 134 (previous year: kEUR 67) was recognised as personnel expenses relating to the share options issued to members of the Management Board, executives and employees at 3U HOLDING AG. Arithmetically, kEUR 31 (previous year: kEUR 14) related to share options issued to Management Board members.

The following persons were appointed as 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 (until 30 September 2022)</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>Chairman of the Supervisory Board of weclapp SE, Frankfurt am Main (since 8 June 2021 and until 30 September 2022)</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>
Michael Schmidt	<p>Limassol, Cyprus</p> <p>Member of the Supervisory Board of 3U HOLDING AG (since 1 July 2022)</p>

Supervisory Board remuneration for 2022 amounted to kEUR 1,279 (2021: kEUR 158). Performance-based remuneration of kEUR 1,200 was accrued for 2022 (2021: kEUR 90). A special bonus of kEUR 1,100 (previous year: kEUR 0) was included in the performance-based remuneration for the sale of weclapp SE.

Remuneration of the Supervisory Board members (in kEUR)	Fixed remuneration		Performance related remuneration		Special bonus weclapp sale		Attendance fee		Total remuneration	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Ralf Thoenes (Chairman)	10	10	40	40	400	0	15	15	465	65
Stefan Thies (Deputy Chairman)	8	8	30	30	300	0	15	15	353	53
Jürgen Beck-Bazlen	5	5	20	20	200	0	15	15	240	40
Michael Schmidt (since 01/07/2022)	3	0	10	0	200	0	8	0	221	0
Total*	26	23	100	90	1,100	0	53	45	1,279	158

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

In addition, Supervisory Board members are reimbursed for their travel expenses and other outlays. Ralf Thones received reimbursement for his expenses of kEUR 3.8 (previous year: kEUR 0.1) in the financial year 2022. Stefan Thies received reimbursements of kEUR 0.2 (previous year: kEUR 0.0) and Jürgen Beck-Bazlen kEUR 0.1 (previous year: kEUR 0.0). Ralf Thones also received attendance fees and reimbursement of expenses amounting to kEUR 3.0 (previous year: kEUR 3.0) for his Supervisory Board activity at 3U ENERGY AG in the financial year 2022.

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

There were no commitments for pensions, settlements or other retirement benefits, neither from 3U HOLDING AG nor from third parties, for members of the Supervisory Board.

The basic components of the compensation system for the Management Board and Supervisory Board are presented in the remuneration report as part of the combined management report

8.4 Events after the reporting period

Further options from the 2018 Share Option Plan were exercised after the balance sheet date, which increased subscribed capital to EUR 36,700,014.00.

External factors of influence, such as the war in Ukraine, the energy crisis, along with procurement and supply difficulties in products and components remain virulent, also after the end of the financial year, and form a focus of risk management and of the Management Board.

Aside from this, no events of material significance occurred after the reporting date

8.5 Auditor's Fees

The fees, including additional expenses for the statutory auditor Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft in the financial year 2022 are as follows (previous year):

Annual audit services	kEUR 340*	(previous year: kEUR 263*)
Other certification services	kEUR 0	(previous year: kEUR 0)
Tax consulting services	kEUR 0	(previous year: kEUR 0)
Other services	kEUR 102	(previous year: kEUR 172)
Total	kEUR 442	(previous year: kEUR 435)

*Including recalculations for previous years of kEUR 118 (previous year: kEUR 1)

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, had exceeded the threshold of 25 % of the voting rights on 27 November 2012 and amounted to 25.49 % on that date (corresponding to 8,999,995 voting rights).

On 4 February 2015, 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, had 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 consisting of treasury shares had fallen below shares had exceeded the threshold of 5 % of voting rights on 19 December 2019 and amounted to 3.352 % on that date (corresponding to 1,183,640 voting rights).

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

Lupus alpha Investment GmbH issued a notification in accordance with Section Sections 33, 34 WpHG that its share of voting rights in 3U HOLDING AG, Marburg, Germany, had fallen below the threshold of 3 % of voting rights on 14 November 2022 and amounted to 2.93 % on that date (corresponding to 1,035,638 voting rights).

Additional disclosures

The following companies owned by 3U HOLDING AG make use of the exemptions permitted under Section 264 (3) of the German Commercial Code (HGB):

- 010017 Telecom GmbH, Marburg
- 3U TELECOM GmbH, Marburg
- Discount Telecom S&V GmbH, Marburg
- fon4U Telecom GmbH, Marburg
- LineCall Telecom GmbH, Marburg
- OneTel Telecommunication GmbH, Marburg

3U HOLDING AG is the supreme, dominant company of the 3U Group.

Date of approval of the financial statements for publication

The Management Board of 3U HOLDING AG 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 2023

The Management Board



Christoph Hellrung



Uwe Knoke

Andreas Odenbreit

206 Independent Auditor's Report

To 3U HOLDING AG, Marburg

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

Audit opinion

We have audited the consolidated financial statements of 3U HOLDING AG, Marburg, and its subsidiaries (the Group), comprising the consolidated balance sheet as of 31 December 2022, 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 2022, 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 2022. We have not audited the parts designated in the combined management report under "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 2022 and its results of operations for the financial year from 1 January to 31 December 2022 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 "EUAPrVO") and the German generally accepted standards for the audit of financial statements promulgated

by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these rules and principles 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 2022. 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. The consolidation of weclapp SE

Re 1) Recoverability of goodwill

- a) Risk to the consolidated financial statements

As of the reporting date, the consolidated balance sheet shows goodwill in carrying amount totalling kEUR 603.

Information provided by the company on goodwill is detailed in the sections "2.3.7 Goodwill", "2.3.15 Impairment of non-financial assets and property, plant and equipment" and "6.1.1 Intangible assets" of the notes to the consolidated financial statements.

In accordance with IAS 36.90, cash-generating units to which goodwill has been allocated are subject to an impairment test at least once a year. Moreover, according to IAS 36.9 in conjunction with IAS 36.12 (d),

an impairment test is to be carried out if the carrying amount of the company's net assets exceeds its market capitalisation.

This test involves the use of complex valuation models based on expectations about the future development of the respective operating business and the resulting cash flows. Furthermore, the valuation is largely dependent on the discount rates used. The result of the impairment test is therefore subject to the significant influence of discretionary values. Against this backdrop, we considered these matters to be of particular importance in the context of our audit.

b) Auditing procedure and conclusions

Within the scope of our audit, we have reconciled the applied method of conducting the impairment test with the requirements of IAS 36. In our audit, we have, among other things, reconstructed the methodological procedure for carrying out the impairment test and assessed the determination of the weighted cost of capital used for discounting. We have verified the plausibility of the plans on which the impairment tests. We also assessed the company's adherence to planning on the basis of an analysis of past deviations from planning. To ensure the mathematical accuracy of the valuations, we carried out random checks. We validated the client's calculation results on the basis of supplementary analyses, including sensitivity analyses.

The assumptions applied by the legal representatives in the review of the value of the goodwill are appropriate, taking into account the available information according to the results of our audit.

Re 2) Deconsolidation of weclapp SE, Frankfurt am Main

a) Risk to the consolidated financial statements

By way of an agreement dated 3 September 2022, effective 30 September 2022, the Group sold all its shares (26,294,944 shares, 70.95 % of the share capital) in weclapp SE, Frankfurt am Main, to a subsidiary of the Exact Group B.V., Delft/Netherlands. weclapp SE's subsidiaries were also sold in the context of selling the shares. Due to the disposal of this part of the business and its deconsolidation, the Group received funds of EUR 161.6 million and income of EUR 161.6 million (net of other operating expenses and personnel expenses totalling EUR 5.8 million in connection with the disposal) in the financial year 2022.

The transaction described above had a significant impact on the consolidated financial statements, in particular on the net assets, financial position and result of operations. This constellation gives rise to a particularly important audit issue.

The Group's information on the disposal and deconsolidation is included in section "1. General information about the Group" and "3. Scope of consolidation" in the notes to the consolidated financial statements.

b) Auditing procedure and conclusions

A primary objective of our audit procedures is to verify the proper presentation of the sale of all the shares in weclapp SE in the consolidated financial statements. To this end, we inspected the underlying contracts add agreements and interviewed the employees responsible.

As part of our audit, we assessed whether and at which time the Group relinquished the power of disposal. Furthermore, we gained an understanding of the presentation of weclapp SE's deconsolidation, in particular its correct disclosure in the consolidated statement of financial position and in the consolidated statement of income, along with the generating of cash flows. We understood the calculation of the purchase price and the deconsolidation results, as well as their recognition. We were able to satisfy ourselves that the disclosures in the notes to the consolidated financial statements regarding the disposal were properly stated.

Other information

The legal representatives and 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 that are of free from material misstatement due to fraudulent activities (i.e. manipulation of the accounts and asset misappropriation) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. In addition, they are responsible for disclosing, where relevant, information about the Group's ability to continue as a going concern. They are also responsible for accounting for continuing operations in accordance with the going concern principle unless the Group is to be wound up or decommissioned, or there is no realistic alternative but to liquidate the Group.

In addition, the legal representatives are responsible for the preparation of the combined management report which, as a whole, provides a 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.

Sufficient 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 fraudulent acts or errors and are considered material if it could be reasonably expected that they could individually or collectively influence the economic decisions of the addressees made on the basis of these consolidated financial statements and the combined management report.

During the audit, we exercise due discretion and maintain a critical stance. Furthermore, we:

- We identify and assess the risks of material misstatements in the financial statements in the consolidated financial statements and in the combined management report due to fraud or error, plan and perform the audit procedures to respond to these risks and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material statements resulting from fraudulent acts is greater than the risk of not detecting material misstatements from errors, as fraudulent activities may involve collusion, falsifications, intended incom-

pleteness, misleading representations and/or the suspension 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 also express an opinion on the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and related disclosures.
- 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 presentation, structure and content of the consolidated financial statements overall, including the disclosures and whether the consolidated financial statements present the underlying transactions and events in a way that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB.
- 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 significant deficiencies in the internal control system which we identified during our audit.

We make a declaration to the persons responsible for monitoring that we have complied with the relevant independence requirements and discuss them with all relationships and other matters which may be reasonably expected to affect our independence and, if pertinent, the measures taken to eliminate threats to independence or the safeguards which have been put in place.

From the matters we have discussed with the persons responsible for monitoring, we determined those matters which were most significant in the audit of the consolidated financial statements for the current reporting period, and which are therefore the most important audit matters. We describe these matters in our audit opinion unless laws or regulations preclude public disclosure of the matters.

Other legal and regulatory requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and the combined management report prepared for the purpose of disclosure in accordance with Section 317 (3a) German Commercial Code (HGB)

Audit opinion

Pursuant to Section 317 (3a) HGB, we have performed a reasonable assurance engagement as to whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in the attached file "529900VVQ4470YJ67K26-2022-12-31-de.zip" and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB on the electronic reporting format ("ESEF format"). In accordance with the German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the combined management report into the ESEF format and therefore neither to the information contained in these reproductions, nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the combined management report included in the attached file referred to above and prepared for disclosure purposes comply, in all material respects, with the requirements of Section 328 (1) HGB on electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2022 contained in the preceding "Report on the audit of the consolidated financial statements and the combined management report" we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned attached file in accordance with Section 317 (3a) HGB and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Section 317 (3a) HGB (IDW PS 410 (06/2022)). Our responsibility thereunder is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1).

Legal uncertainty regarding the conformity of interpreting the pertinent European regulations

Due to the conversion process selected by the company, the consolidated financial statements remitted in the ESEF format is not fully appropriately readable in machine format with regard to the notes in iXBRL format (blocktagging). The legal conformity of the interpretation by the legal representatives to the extent that an appropriate machine analysis of the structured notes with respect to blocktagging the notes is not explicitly required under the Commission Delegated Regulation (EU) 2018/815 is subject to significant legal uncertainty that, consequently, also constitutes an inherent uncertainty of our audit.

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, intentional or otherwise, with the electronic reporting format requirements of Section 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, intentional or otherwise, with the requirements of Section 328 (1) HGB. During the audit, we exercise due discretion and maintain a critical stance.

Furthermore, we:

- identify and assess the risks of material non-compliance, intentional or otherwise, with the requirements of Section 328 (1) HGB, plan and perform audits procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion;
- gain an understanding of internal controls relevant to the audit of the ESEF documents in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls;
- evaluate the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the requirements of Commission Delegated Regulation (EU) 2019/815, as amended at the reporting date, regarding the technical specification of such documentation;
- assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited combined management report;
- assess whether the inline XBRL technology (iXBRL) tagging of the ESEF documents in accordance with Article 4 and 6 of the Commission Delegated Regulation (EU) 2019/815 in the version valid on the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML output.

Other information according to Article 10 EUAPrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on 25 May 2022. 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 16 August 2022. We have been active without interruption since the 2018 financial year as auditors of the consolidated financial statements of 3U Holding AG, Marburg.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Supervisory Board in accordance with Article 11 EUAPrVO (audit report).

In addition to the auditing the financial statements of the audited entity, we have provided the following services which are not listed in the consolidated financial statements or in the combined management report:

- Project-related audit (3U Holding AG) of accounting issues
- Audit of the 2022 remuneration report of 3U Holding AG pursuant to Section 162 (3) AktG
- Issuing of a Comfort Letter
- Voluntary audit of the IFRS consolidated financial statements of weclapp SE

Other matters – use of the Auditor's Report

Our Auditor's Report must always be read in the context of the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documentation. The consolidated financial statements and the combined management report transferred to the ESEF format – including the versions to be entered into the business register – are merely electronic representations of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein is only to be used in connection with the audited ESEF documentation made available in electronic form.

Responsible auditor

The auditor responsible for the audit is Mr. Martin Theis.

Bonn, 6 April 2022

Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Burkhard Völkner	Martin Theis
Certified Public Accountant	Certified Public Accountant



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214 Financial calendar

- **Publication of quarterly announcement 1/2023**
10 May 2023
- **Annual General Meeting 2023**
15 May 2023
- **Publication of half year financial report 2023**
14 August 2023
- **Publication of quarterly announcement 3/2023**
8 November 2023

The current financial calendar is available on the 3U HOLDING AG website (3u.net).

Contact

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Disclaimer

The Annual Report 2022 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. Forwardlooking statements are based on current and valid plans, estimates and expectations. Such statements are subject to risks and uncertainties, most of which are difficult to estimate and which are generally beyond 3U HOLDING AG’s scope of control.

The following are – by no means exhaustive – examples of factors that may trigger or affect a deviation: the development of demand for our services, competitive factors – including price pressure –, technological changes, regulatory measures, risks in the integration of newly acquired companies. If any of these or other risks and uncertain factors occur, or if the assumptions on which the statements are based prove to be incorrect, the actual results of 3U HOLDING AG may differ materially from those outlined or implied in these statements. The company does not undertake to update predictive statements of this nature.

This annual report contains a range of figures which are not part of commercial regulations and the International Financial Reporting Standards (IFRS), such as EBT, EBIT, EBITDA and investments (capex). These figures are not to be interpreted as a substitute for the information of 3U HOLDING AG in accordance with the German Commercial Code (HGB) or IFRS. It should be noted that the figures for 3U HOLDING AG which are not part of commercial regulations and the IFRS, can only be compared to the corresponding figures of other companies to a certain extent

3U Group*

3U HOLDING AG

ITC	Renewable Energies	SHAC
010017 Telecom GmbH Marburg, Germany	3U ENERGY AG Marburg, Germany	Calefa GmbH Koblenz, 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	
fon4U Telecom GmbH Marburg, Germany	Solarpark Adelebsen GmbH Adelebsen, Germany	
LineCall Telecom GmbH Marburg, Germany	Windpark Klostermoor GmbH & Co. Betriebs-KG Marburg, Germany	
OneTel Telecommunication GmbH Marburg, Germany	Windpark Langendorf GmbH & Co. KG Marburg, Germany	
RISIMA Consulting GmbH Marburg, Germany	Windpark Langendorf Verwaltungsgesellschaft mbH Marburg, Germany	
	Windpark Roge GmbH Marburg, Germany	
	Windpark Roge GmbH & Co. Betriebs-KG Marburg, Germany	

*Fully consolidated companies as of 31 December 2022



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