

# REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

In the following, I would like to inform you about the work of the Supervisory Board in the fiscal year 2020.

In fiscal year 2020, the Supervisory Board of United Internet AG fulfilled its legal and statutory duties to regularly advise the Management Board and monitor its management of the Company. The Supervisory Board was directly involved in all decisions of fundamental significance for the Company. The Management Board provided the Supervisory Board with regular and comprehensive reports, both written and oral, and also between meetings, about all relevant questions concerning corporate strategy and planning, as well as the associated risks and opportunities, the development and progress of business, planned and current investments, the status of the Company, its exposure to risk, the risk management system, and issues of compliance. The Management Board discussed the Company's strategic alignment with the Supervisory Board and presented it with a comprehensive report every quarter about the state of business, the development of sales and earnings, and the position of the Company and its business policy. This also included information about deviations between planned and actual figures. With regard to both content and scope, these reports met all statutory requirements, the standards of good corporate governance, and the criteria set by the Supervisory Board. The Management Board's reports were made available to all members of the Supervisory Board. The Chairman of the Supervisory Board was also kept regularly informed by the Management Board on all business activities, also between the meetings, and gave advice on questions of business policy. The Supervisory Board examined the plausibility of the reports provided by the Management Board, discussed their content in detail, and gave a critical assessment.

The Supervisory Board was regularly informed by the Management Board about the internal control system, the Group-wide risk management system, and the Internal Audit system which it had introduced. On the basis of its own reviews, the Supervisory Board came to the conclusion that the internal control system, the Group-wide risk management system, and the internal audit system are fully functional and effective.

## Personnel changes of the Supervisory Board

In the course of the Annual Shareholders' Meeting 2020, the Supervisory Board was re-elected and expanded from three to six members. Mr. Kai-Uwe Ricke's term of office ended on expiry of the Annual Shareholders' Meeting on May 20, 2020. The Annual Shareholders' Meeting elected Mr. Kurt Dobitsch, Dr. Manuel Cubero and Dr. Claudia Borgas-Herold to the Supervisory Board. In addition, Mr. Michael Scheeren, Prof. Dr. Yasmin Weiß and Mr. Philipp von Bismarck were elected to the Supervisory Board, whose mandates became effective with the expansion of the Supervisory Board to six members with effect from July 24, 2020. At the constituent Supervisory Board meeting on May 20, 2020, Mr. Kurt Dobitsch was elected Chairman of the Supervisory Board and was confirmed in this role at the Supervisory Board meeting on August 11, 2020 (following the expansion of the Supervisory Board to six members).

Mr. Michael Scheeren retired from the Supervisory Board on expiry of the balance sheet meeting on March 24, 2021. Due to the short period of time between the day of his departure and the day of the planned Annual Shareholders' Meeting on May 27, 2021, the Supervisory Board decided not to have a

successor appointed by the court, but rather to leave the mandate vacant for the time being and to have a new member elected by the Annual Shareholders' Meeting.

The Chairman of the Supervisory Board Kurt Dobitsch thanks Mr. Michael Scheeren and Mr. Kai-Uwe Ricke for their trust and successful efforts over many years of cooperation.

None of the Supervisory Board members holds any executive body or advisory positions with enterprises which the Company regards as its major competitors. There was no indication of any conflicts of interest involving members of the Supervisory Board or Management Board.

### Establishment of an Audit and Risk Committee

At its meeting in December 2020, the Supervisory Board resolved to set up an Audit and Risk Committee and to prepare the necessary steps for establishing such a body by the next meeting of the Supervisory Board in March 2021. At its meeting in March 2021, the Supervisory Board then resolved on the necessary changes to the Supervisory Board's rules of procedure, determined the tasks of the Audit and Risk Committee, and adopted the corresponding rules of procedure for the Audit and Risk Committee. The Committee is to commence its activities after the Annual Shareholders' Meeting 2021. The members of the Audit and Risk Committee have not been elected yet, as the Supervisory Board first wants to wait until a replacement for Mr. Scheeren has been elected and then directly elect the members of the Committee after the new appointment, thus allowing the Audit and Risk Committee to commence its activities.

The Audit and Risk Committee will assist the Supervisory Board in its monitoring of accounting practices and the integrity of the accounting process, as well as in monitoring the effectiveness and functionality of the internal control system, the risk management system, the compliance system, and the internal auditing system. Moreover, it will support the Supervisory Board in monitoring the auditing of the financial statements, the services provided by the auditor, the auditing fees, and the additional services provided by the auditor.

The Audit and Risk Committee closely examines the annual financial statements and consolidated financial statements, the combined management report for the Company and the Group, the non-financial statement and the non-financial Group statement, and the Management Board's proposal for the appropriation of balance sheet profit. It discusses with the Management Board and the auditors the audit reports, the audit process, the audit focus areas and methodology, as well as the audit results, also with regard to the internal control system relating to the accounting process, and makes recommendations to the Supervisory Board. It regularly assesses the quality of the audit. Prior to their publication, it discusses the quarterly statements and the half-year financial report with the Management Board.

The Audit and Risk Committee prepares the negotiations and resolutions of the Supervisory Board for the election proposal of the auditor to the Annual Shareholders' Meeting and decisions on corporate governance issues, as well as resolving on the approval of related party transactions in accordance with section 111b (1) AktG.

The chair of the Audit and Risk Committee regularly reports to the Supervisory Board on the activities of the Audit and Risk Committee. In the event of significant occurrences and findings by the Audit and Risk Committee, its chair must inform the Chairman of the Supervisory Board without delay.

## Meetings and main topics:

In addition to the regular statutory reports, the Supervisory Board discussed and reviewed the following issues in greater detail:

- The Annual Financial Statements and Consolidated Financial Statements for fiscal year 2019
- The Report of the Supervisory Board to the Annual Shareholders' Meeting for fiscal year 2019
- The Sustainability Report 2019
- The adoption of planning for fiscal year 2020
- Determining the Management Board's target achievement for fiscal year 2019 and approving the payment of variable compensation components, as well as agreeing new targets for the Management Board for fiscal year 2020
- The invitation to the Annual Shareholders' Meeting 2020 together with the agenda and motions for resolutions, as well as the resolutions to conduct it as a virtual Annual Shareholders' Meeting
- Examining the independence of the proposed auditor of the Annual Financial Statements and adopting the corresponding resolution proposal
- The dividend proposal for the Annual Shareholders' Meeting
- The Compliance Report 2019
- Audit planning and the quarterly reports of the Internal Audit department
- The effects of the coronavirus pandemic on the Group and measures to maintain operating activities and protect staff
- The cancellation of 11 million treasury shares and the corresponding reduction of capital
- The launch of a share buyback program for up to 5 million treasury shares or € 150 million on April 1, 2020
- The suspension of the share buyback program launched on April 1 as of April 30, 2020
- The election of Mr. Kurt Dobitsch as Chairman of the Supervisory Board and Mr. Michael Scheeren as Deputy Chairman of the Supervisory Board
- The development of the Company during the year
- Significant changes in investments
- The quarterly reports on risk management and the risk management strategy
- The development of the proportion of women and the implementation status of the agreed targets
- Amendments to the Rules of Procedure for the Supervisory Board
- The random audit of the German Financial Reporting Enforcement Panel (FREP)
- The appointment to the Management Board of Martin Mildner as of October 1, 2020
- The new conclusion of D&O insurance
- Business planning 2021
- Aspects concerning the introduction of an Audit and Risk Committee
- The dates for future meetings and the financial calendars for the fiscal years 2021 and 2022
- The updates to the Declaration of Conformity with the German Corporate Governance Code in December 2020
- The voluntary public takeover offer for Tele Columbus submitted by the bidding company of Morgan Stanley Infrastructure Partners, the possible contribution of the minority shareholding in Tele Columbus to the bidding company and purchase of a minority shareholding in the bidding company, as well as the further planned capital measures to support the Fiber Champion Strategy of Tele Columbus

The Supervisory Board held four ordinary meetings during fiscal year 2020 during which the Management Board presented detailed information about the business situation and the development of the Company and Group, as well as about significant business events. The meetings of the Supervisory Board were each attended by all members. Due to the effects of the coronavirus pandemic, some of

the meetings were held as conference calls, via telephone or video. In addition to the meetings, further resolutions on current topics were adopted by means of circular written consent and via telephone conference call.

## Corporate Governance

The Supervisory Board once again discussed in detail the standards of good corporate governance in fiscal year 2020, and in this connection also the German Corporate Governance Code. The Management Board and Supervisory Board issued a Declaration of Conformity pursuant to section 161 AktG on December 19, 2020. The declarations are permanently available on the corporate website and in the Federal Gazette (Bundesanzeiger). Declarations of Conformity of previous years can also be viewed here. Further details on corporate governance are provided in the Declaration on Company Management and the Corporate Governance Report on the fiscal year 2020.

## Discussion of the Annual Financial Statements 2020 for the Company and the Group

The Annual Shareholders' Meeting of United Internet AG on May 20, 2020 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, based in Eschborn/Frankfurt am Main, as auditors for the fiscal year 2020. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft audited the accounting system, the Annual Financial Statements of United Internet AG, the Consolidated Financial Statements according to IFRS and the Combined Management Report for United Internet AG and the Group for the fiscal year 2020. In the course of the audit, the auditor focused in particular on the key audit matters. For the Consolidated Financial Statements, these included the impairment of goodwill, revenue recognition, the recognition of contract initiation and fulfillment costs, and for the Annual Financial Statements of United Internet AG, the impairment of financial assets. The risk management system was also examined and analyzed as part of the audit of the Annual Financial Statements. The auditor did not detect any major weaknesses in the internal control system, Group-wide risk management system or internal audit system. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft awarded an unqualified certificate in each case.

The Supervisory Board satisfied itself as to the independence of the auditors and received a written declaration to this effect. In addition, the Supervisory Board was informed about services rendered in the past fiscal year and the awarding of non-audit-related services.

The aforementioned Annual Financial Statement documents, the proposal for the appropriation of profit, and the auditor's report were presented to all members of the Supervisory Board in due time. The chief auditor participated in the balance sheet meeting via video conference call of the Supervisory Board on March 24, 2021, where he reported on his audits and their results, elaborated on the audit report, and answered the Supervisory Board's questions. Following its own inspection, the Supervisory Board came to the conclusion that the Annual Financial Statements, the Combined Management Report, the Consolidated Financial Statements and the auditor's report gave no cause for objections. The Supervisory Board concurs with the auditor that there are no major weaknesses in the internal control and risk management system, especially with regard to the accounting process. With a resolution on March 24, 2021, the Supervisory Board approved the Annual Financial Statements of United Internet AG, as prepared by the Company on March 19, 2021, and the Consolidated Financial Statements according to IFRS for fiscal 2020, also prepared by the Company on March 19, 2021. The Annual Financial Statements are therefore adopted pursuant to section 172 AktG. The Supervisory Board supports the proposal of the Management Board concerning the appropriation of the balance sheet profit.

## Audit of the Management Board's report on relations with affiliated companies

The Management Board presented its report on relations with affiliated companies (Dependent Company Report) for fiscal year 2020 to the Supervisory Board in good time.

The report prepared by the Management Board about relations with affiliated companies was also audited by the external auditors. The following certificate was awarded in this respect:

"On the basis of our statutory examination and evaluation, we can confirm that

1. the details made in the report are accurate,
2. the Company was compensated adequately for each transaction mentioned in the report,
3. in the case of those measures mentioned in the report, there is no evidence to suggest a significantly different assessment to that provided by the Management Board."

The external auditors submitted the audit report to the Supervisory Board. The Dependent Company Report and Audit Report were made available to the Supervisory Board in good time. The Supervisory Board reviewed the Management Board's Dependent Company Report and the audit report. The Supervisory Board performed the final review at its meeting held via video conference call on March 24, 2021. The external auditors attended this meeting and reported on their audit of the Dependent Company Report and their main audit results, explained their audit report, and answered questions from members of the Supervisory Board. On the basis of our final examination, we concur with the Management Board's Dependent Company Report and the audit report and have no objections to raise regarding the Management Board's declaration at the end of the Dependent Company Report.

## Reporting for the Sustainability Report

United Internet AG submitted a non-financial statement for fiscal year 2020, which will be published as part of a separate non-financial report (Sustainability Report).

The Supervisory Board of United Internet already discussed the Sustainability Report during the course of the year. As part of its own final review, the Supervisory Board dealt in detail with the non-financial statement in its entirety. The Supervisory Board scrutinized the contents of the non-financial statement and discussed it at length with the Management Board, whose members were on hand to answer additional questions and provide further information. Following its own review, the Supervisory Board came to the conclusion that the non-financial statement did not give rise to any objections.

The Supervisory Board thanks the Management Board and all employees for their outstanding commitment to the Company in fiscal year 2020.

Montabaur, March 24, 2021



For the Supervisory Board  
Kurt Dobitsch

### Members of the Supervisory Board

- Kurt Dobitsch, Markt Schwaben  
Chairman of the Supervisory Board of United Internet AG
- Dr. Claudia Borgas-Herold, Kilchberg / Switzerland (since May 20, 2020)  
Managing Director of borgas Advisory GmbH
- Dr. Manuel Cubero, Munich (since May 20, 2020)  
Self-employed supervisory board/advisory board member
- Kai-Uwe Ricke, Stallikon / Switzerland (until May 20, 2020)  
Member of the Board of Directors of Delta Partners / Dubai
- Michael Scheeren, Frankfurt (until May 20, 2020; since July 24, 2020; until March 24, 2021)  
Supervisory board member
- Philipp von Bismarck, Frankfurt, Königstein im Taunus (since July 24, 2020)  
Lawyer and partner at Wendelstein LLP
- Prof. Dr. Yasmin Weiß, Gauting (since July 24, 2020)  
Professor at the Technical University of Nuremberg

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This document is a convenience translation of the German original. In case of discrepancy between the German and the English version, the German version shall prevail.