ENTREPRENEURIAL INVESTMENT PARTNERSHIP

"We welcome our customers to
the powerful 1&1 mobile network."

Ralph Dommermuth, CEO United Internet and 1&1

21 January 2026

Dear partners and supporters,

Please find attached the 2025 update of the Entrepreneurial Investment Partnership SICAV-RAIF (EIP). As of the reporting date of the 30th of December 2025, the capital under management amounts to EUR 46.4 million. This corresponds to a net asset value (NAV) of EUR 11,314.89 per founding partner share.

The EIP investment philosophy revolves around:

- Industries with a long runway of growth, and a high and predictable return on capital.
- Good management teams that have skin-in-the-game, strong capital allocation track records, and the ability to lead people to do their best work.
- The stock price should imply a valuation significantly below what a private equity investor would pay if 100% the company was sold.

EIP reviews thousands of listed companies every year to identify the top 1% scoring highly in most dimensions. Once invested, companies remain in the portfolio until better opportunities are available.

For an overview how the current and prior portfolio companies fit the philosophy, please see the company overview (`link`). You can find prior updates and their references in this table (`link`).

This annual update includes a performance benchmark, portfolio composition, updates on the companies, performance and cost analysis, regional exposure, and a brief market comment to wrap things up.

	Annual Percentage Change				
Year	**EIP**	**MSCI World**	**NASDAQ**	**S&P 500**	**DAX**
2021	0.6	9.6	18.3	13.7	4.3
2022	-18.1	-19.5	-33.0	-19.4	-12.3
2023	5.1	21.8	53.8	24.2	20.3
2024	3.4	17.3	26.0	23.8	18.8
2025	26.4	19.9	20.1	16.7	23.0
since start	13.1	51.2	84.5	64.5	60.7

Table 1: EIP vs. major indices. 2021 performances from EIP start in May. CapitalIQ Data.

EIP's net returns came in at 26.4%. Four full years have passed since the start of EIP and while 2025 was a step in the right direction, catching up with the strong indices remains the goal. Top contributors during the year were United Internet (+16.8%), 1&1 (+6.2%), and Alibaba (+3.4%) while DocMorris (-3.7%), Ocado (-2.0%), and (BioNTech -1.7%) led the detractors.

From a trading perspective, it has been an unusually busy year with total divestments of EUR 16.2 million and acquisitions of EUR 19.9 million paying brokerage and custodians fees, as well as trading tax of EUR 43.000 or c. 12 basis points. Largest divestments were About You (EUR 10.4 million[1]), Modern Times Group (EUR 2.8 million), and Alibaba Group (2.8 million). Capital was reinvested mainly in DocMorris (EUR 4.8 million), Zalando (EUR 3.9 million), 1&1 (EUR 3.2 million), Rovi (EUR 3.0 million), Ocado (EUR 1.6 million) and BioNTech EUR (1.5 million). Table 2 depicts the portfolio at year end.

The estimate for the fair value of EIP's companies is on average c. 70% higher (down from c. 100% higher a year ago) than their current market value.

Company	as % NAV
United Internet AG Namens-Aktien o.N.	28.5%
1&1 AG Inhaber-Aktien o.N.	11.8%
Rocket Internet SE Inhaber-Aktien o.N.	9.2%
Zalando SE Inhaber-Aktien o.N.	8.1%
Ocado Group PLC Registered Shares LS -,02	7.7%
Laboratorios Farmaceut.Rovi SA Acciones Port. EO -,06	7.5%
DocMorris AG Namens-Aktien SF 0,01	7.4%
BioNTech SE Nam.-Akt.(sp.ADRs)1/o.N.	6.1%
Haier Smart Home Co. Ltd. Registered Shares D YC 1	5.7%
Modern Times Group MTG AB Namn-Aktier B o.N.	4.1%
Articore Group Ltd. Registered Shares o.N.	0.7%
Net cash in EUR	3.2%

Table 2: Portfolio overview

United Internet - successful customer migration to own network

In the 2024 update (link), I wrote: "United Internet seems more attractive than ever to say the least.". The successful transfer of 12 million 1&1 customers from the Telefonica network to 1&1's own network paired with the achieved 25% population coverage with own antenna sites,

[1]EUR 8.5 million sold in Q1 and EUR 2.0 million were bought again in Q4 and received again as part of the squeeze-out procedure.

seems to have turned the market view from a failure to success.

Versatel, the fiber network holding of United Internet, was sold to 1&1 at the end of November to optimize taxable income and theoretically enables the rumored sale of 1&1 to Telefonica. I would be surprised, if an agreement on price could be reached between United Internet and Telefonica - regulatory issues not to mention. As 1&1 invests heavily in its network of antenna sites, data centers and fiber network, its earnings increase due to lower roaming payments to Vodafone, while potential synergies with the Telefonica network are decreasing. If there is a deal, it should be coming sooner than later.

As the market cap plus net debt of United Internet is around the value of its two listed assets of 1&1 and IONOS whose valuations remain undemanding as I mentioned in prior updates (`link`, `link`), one gets the email business of gmx.net and web.de for free.

BioNTech - USD 11 billion deal for 50% of BNT327 with Bristol Myers Squibb

During the year 2025, BioNTech has announced one of the largest licensing deals in the biotech industry of the last decade. Including potential milestone payments, Bristol Myers Squibb could pay - depending on reaching several undisclosed milestones - up to USD 11 billion for 50% of the profits of the molecule BNT327 (called pumitamig) that was originally discovered by the Chinese company Biotheus. BioNTech had acquired Biotheus only a year earlier for USD 1 billion. BNT327 belongs to a group of bispecific antibodies (PD-L1/VEGF), what could be the next standard of care for several cancer conditions (`link`).

Despite this potentially meaningful value creation and R&D losses being largely offset by COVID vaccine profits, the share price still traded near the net cash position. If you believe, the COVID vaccine was one lucky shot (no pun intended) for BioNTech, it becomes evident that the team around CEO Uğur Şahin and his wife Özlem Türeci is good for more surprises. 2026 is a meaningful year for BioNTech as the first non-COVID drug phase 3 data is anticipated and the integration of the acquisition of CureVac should provide further operational improvements towards becoming a multi-product global oncology and m-rna player. While the predictability of future revenues is not high, all other industry, management and valuation criteria score high on the EIP framework.

Modern Times Group (MTG) - partial exit due to better opportunities elsewhere

EIP has decreased its position in Modern Times Group, a holding of mobile gaming companies as the share price increased during the year. The initial thesis in 2021 revolved around the gaming league ESL being a "hidden asset" that was growing strongly while being loss-making. The ESL was sold successfully at the beginning of 2022 (see `link`, and `link`), while the remaining mobile gaming studios have showed mixed results.

The investment hypothesis for the mobile gaming segment was to grow the segment organically and via M&A with growing studios that MTG can help to scale. Over the last years, market dynamics have changed and established games are capturing a larger share of the market. In 2025, c. 50% of the spending in games occurred in games older than 6 years. That number is up over 100% since 2020, while the market grew c. 30% over the same period. With the acquisition of Plarium (`link`), MTG follows the market logic and acquires established games with the goal of improving operations and retaining players as long as possible.

Developing newer games is increasingly risky and failures have been staggering. Some desktop games with individual development budgets of USD 100 million only attracted a few thousand players after launch. The market saturation has led to little observable innovation during the last years for MTG's games. Its "new" games have been essentially a redesigned game mechanic of older existing games with a different design and story line that could be developed on a tight budget. While this seems to be the right strategy for the market, it implies lower growth potential and warrants the lower valuation multiple MTG is trading on. There is a shot on goal remaining as MTG is in the process to IPO its crown jewel gaming studio, Playsimple, in India. For the remaining MTG shares, EIP will await the outcome and then take it from there.

Rocket Internet - Many ways to win, few ways to lose

Rocket Internet is a holding company of a public stock portfolio, cash, a private loan book, and dozens of valuable private company stakes, e.g., Traveloka (c. 20% stake), Kalshi (5%), Sumup (5%), Personio (5%), Canva (0.4%), SpaceX (0.1%), and Revolut (0.1%). Rocket also manages two USD 1 billion venture funds itself that might receive carry payments depending on their performance within the next five years. EIP bought its first shares in 2021 and while Rocket's companies have developed well, the share does not attract a lot of attention as it only trades on the Hamburg stock exchange - a specialized exchange for delisted companies.

Over the last year, several new ways to win for Rocket have become apparent. At last year's AGM, Rocket reported a 5% stake in Kalshi and a 0.1% share in SpaceX. Kalshi is a US prediction market company founded in 2018. In December 2025, Kalshi raised USD 1 billion at an USD 11 billion pre-money valuation - double its valuation just two months prior. This would value Rocket's stake at around EUR 5 per Rocket share that is currently trading at around EUR 20. Kalshi operates as an exchange for yes/no bets on real-world events, like election outcomes, sports, or weather. Users buy into contracts with each other (e.g., 30 cents for "yes," 70 cents for "no"), with payouts based on results. Initially seeming gimmicky as the large majority of volume is sports bets,

Now in hypergrowth, Kalshi handled USD 8 billion in volume over the last four weeks, growing double-digit per month with just 100 employees. Advantages over traditional sports betting are the low c. 1% take rate, no capital at risk for the company itself (as it doesn't take sides), and strong network effects in the business model favoring the most liquid exchanges like Kalshi and its competitor Polymarket. Unlike fixed sports bets, prediction contracts are liquid assets, tradable like stocks with dynamic pricing. Federally regulated as a derivatives platform, it bypasses state gambling laws, enabling bets in restricted areas - though litigation poses risks. Interestingly, prediction markets can yield valuable insights: Kalshi's CPI forecasts were 40% more accurate than Wall Street consensus (even up to 67% during shocks) from 2023-2025. Data sales could become a larger revenue stream, as seen in its 60/40 Trump vs. Harris election prediction despite polls favoring Harris.

Traditional exchanges are eyeing the space: Intercontinental Exchange (NYSE owner) bought 20% of Polymarket for USD 2 billion in October 2025. Interactive Brokers founder Thomas Peterffy launched his own prediction market as he tried (and failed) to acquire Kalshi. For Rocket, means potentially large upside, while even if it turns out to be a fad and is regulated to death, Rocket's other holdings are exceeding its current share price and one successful listing this year, e.g., SumUp or SpaceX, would likely reignite investor appetite in the share.

Performance and cost analysis

In EUR m		As % NAV
NAV 30.12.2024	**36.7**	**100%**
Realized Returns	3.0	8.1%
Unrealized Returns	6.4	17.4%
Dividends, interest, FX	1.1	3.0%
Gross Investment Return	**10.4**	**28.5%**
Management Fee	(0.3)	(0.9%)
Performance Fee	(0.3)	(0.9%)
Structure Cost	(0.1)	(0.3%)
Net Investment Return	**9.7**	**26.4%**
Management Investment 2025	0.1	0.1%
NAV 30.12.2025	**46.4**	**126.6%**

Table 3: Performance and cost analysis

Table 3 shows the returns and costs associated with running the partnership as it will show up in the annual report. The realized return of EUR 3.0 million is attributable to the total change in shares price value during the year 2025 that was sold during the year. It consists largely of Alibaba (EUR 1.2 million) and Modern Times Group (EUR 1.0 million) and to a lesser extent of profitable disposals of DocMorris, 1&1, and United Internet. Next line, the unrealized returns of c. EUR 6.4 million is the remaining net effect of stock price changes on the portfolio as discussed at the beginning of this update. The partnership has received EUR 1.1 million in dividends after taxes during the year of which more than 80% are attributable to United Internet paying a special dividend and Haier continuing its profitable growth and dividend increases.

The management fee is calculated daily and paid monthly on the NAV of the partner share class. To recap, it amounts to 0.7% p.a. up to EUR 100 million. It then decreases for everything above EUR 100 million to 0.5% up to EUR 300 million and remains at 0.3% on everything above for all partners. As such, all partners can enjoy growing the AUM and the focus is on performance. The performance fee is 10% over a 4% hurdle with an annually-tested high watermark and no catch-up. It is calculated daily and paid annually at year end. The structure cost accounts for c. 0.3% for both share classes and scales due to a high proportion of fixed costs, e.g., two external board members, annual report, anti-money laundering officer, regulatory reporting, and what not. Trading activity incurred costs of c. EUR 43,000 (2023: EUR 20,000) in commission for brokers and stamp duty and are activated at cost. As a result, EIP had a 1.05% total expense ratio (TER) at year end 2025. Also in 2025, I have increased my personal investment in EIP ("Management Investment") and now own close to 1% of the NAV.

Regional exposure - Home bias to Germany

Figure 1 shows the exposure to regions where EIP companies do business weighted by their share in the portfolio. You might have seen in the fact sheet a completely different split as the factsheet presents the country of incorporation instead. The goal to have a somewhat regionally diversified portfolio remains, while the current home bias to Germany at c. 43% of the portfolio vs c. 4% of world GDP (and decreasing) is mainly due to the large position in United Internet and 1&1 that will be reduced (or even sold completely) if better opportunities present themselves elsewhere.

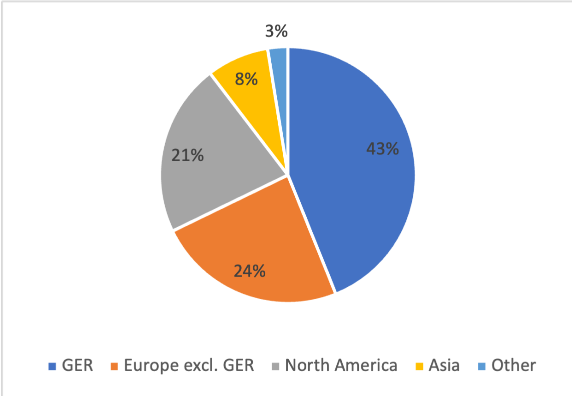

Figure 1: Regional portfolio exposure

Market commentary - Risk on continued

As written before, the relentless march of trading apps, AI expectations, crypto mania, and passive investing shows no signs of slowing down and resembles essentially one large momentum strategy. For many retail investors, the stock market might feel like their favorite online casino - probably because the apps sit right next to each other on their phone screens.

Exhibit A: Tesla trades at roughly 300x trailing twelve-month earnings on about USD 5 billion in net income. Exhibit B: Palantir trades on around 100x trailing revenue on roughly USD 4 billion in sales. Valuing either requires an almost heroic dose of imagination: only flawless execution and explosive growth in unproven markets can lead to a future where today's multiples look like bargains.

I am relieved to not be the one betting on any of the similar towering hurdles a lot of companies are implicitly facing these days. Instead, EIP portfolio companies face far more achievable thresholds: ones grounded in tangible progress rather than the need of perfection. They should clear them with comparable ease.

Please let me know any questions you might have.

Thank you for entrusting your capital to EIP.

Tim Jeck & EIP team

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