Interim Statement
Q3 2021

SELECTED KEY FIGURES

	Sept. 30, 2021	Sept. 30, 2020	Change
NET INCOME (in € million)			
Sales	4,167.9	3,984.7	+ 4.6%
EBITDA[1]	955.1	915.6	+ 4.3%
EBIT[1]	604.5	560.8	+ 7.8%
EBT[1]	581.1	520.9	+ 11.6%
EPS (in €)[1]	1.69	1.38	+ 22.5%
BALANCE SHEET (in € million)			
Current assets	1,551.6	1,359.3	+ 14.1%
Non-current assets	8,032.5	7,805.0	+ 2.9%
Equity	4,810.2	4,835.7	- 0.5%
Equity ratio	50.2%	52.8%	
Total assets	9,584.1	9,164.3	+ 4.6%
CASH FLOW (in € million)			
Operative cash flow	796.7	690.5	+ 15.4%
Cash flow from operating activities	535.9	717.7	- 25.3%
Cash flow from investing activities	- 451.9	- 349.2	
Free cash flow[2]	253.1	284.3	- 11.0%
EMPLOYEES			
Total headcount as of September 30	9,954	9,565	+ 4.1%
thereof in Germany	8,178	7,866	+ 4.0%
thereof abroad	1,776	1,699	+ 4.5%
SHARE (in €)			
Share price as of September 30 (Xetra)	33.62	32.67	+ 2.9%
CUSTOMER CONTRACTS (in million)			
Consumer Access, total contracts	15.27	14.68	+ 0.59
thereof Mobile Internet	11.01	10.36	+ 0.65
thereof broadband connections	4.26	4.32	- 0.06
Consumer Applications, total accounts	41.74	41.17	+ 0.57
thereof with Premium Mail subscription (contracts)	1.70	1.61	+ 0.09
thereof with Value-Added subscription (contracts)	0.75	0.74	+ 0.01
thereof free accounts	39.29	38.82	+ 0.47
Business Applications, total contracts	8.69	8.38	+ 0.31
thereof in Germany	4.21	4.01	+ 0.20
thereof abroad	4.48	4.37	+ 0.11
Fee-based customer contracts, total	26.41	25.41	+ 1.00

(1) 2021 without a non-period positive effect on earnings from 2020 (EBITDA, EBIT and EBT effect: € +39.4 million; EPS effect: € +0.11); 2020 without an excessive MBA MVNO billing in Q3 2020 (EBITDA, EBIT and EBT effect: € -19.2 million; EPS effect: € -0.05)

(2) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment; Reporting 2020 and 2021 including the repayment portion of lease liabilities, which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

CONTENT

Dear shareholders, employees, and business associates,

United Internet AG can look back on a successful first nine months of 2021. In the reporting period, we made further investments in new customer contracts and the expansion of existing customer relationships, and thus in sustainable growth. In total, we increased the number of fee-based customer contracts by a further 760,000 contracts to a current 26.41 million. Of this total, 440,000 contracts were added in the Consumer Access segment and 240,000 contracts in the Business Applications segment. A further 80,000 contracts were added in the Consumer Applications segment.

Consolidated sales grew by 4.6% during the reporting period, from € 3,984.7 million in the previous year to € 4,167.9 million.

EBITDA improved strongly from € 896.4 million to € 994.5 million and EBIT from € 541.6 million to € 643.9 million. Key earnings figures include an (out-of-period) positive effect on earnings from the fiscal year 2020 totaling € 39.4 million, of which excessive MBA MVNO billing in the third quarter of 2020 accounted for € 19.2 million. On February 15, 2021, 1&1 accepted Telefónica Germany's improved offer – following review by the EU Commission – for national roaming and thus also retroactively as of July 1, 2020 for the related MBA MVNO advance services. The prices offered include annually decreasing data prices again, similar to the pricing mechanisms in the first five years of the MBA MVNO agreement. The offer accepted by 1&1 was transposed into a long-term national roaming agreement with Telefónica on May 21, 2021.

After correctly allocating the above mentioned effects to their respective periods, key earnings figures developed as follows: operating EBITDA rose by 4.3% in the first nine months of 2021, from € 915.6 million in the previous year to € 955.1 million and operating EBIT by 7.8%, from € 560.8 million to € 604.5 million. These figures include initial costs incurred by 1&1 for the construction of our 5G network of € -24.5 million (prior year: € -8.4 million), as well as the announced investments of IONOS amounting to € -24.8 million for a product and sales drive focusing on its cloud business and further international expansion.

Earnings per share (EPS) increased from € 1.33 in the previous year to € 1.80. EPS also includes the (out-of-period) positive effect on earnings (EPS effect: € +0.11) and in the previous year the excessive MBA MVNO billing (EPS effect: € -0.05). After correctly allocating these effects to their respective periods, operating EPS rose by 22.5%, from € 1.38 to € 1.69 and operating EPS before PPA by 14.5%, from € 1.73 to € 1.98.

Apart from our good operating results, further progress was also achieved with our planned mobile communications network during the reporting period. In addition to concluding the aforementioned national roaming agreement with Telefónica, we expanded our fiber-optic network, prepared a detailed antenna network plan, and found a strong partner for network construction in Rakuten – a pioneer and expert in the field of OpenRAN. In April 2020, Rakuten launched the world's first fully virtualized OpenRAN in Japan. Rakuten has thus been able to gather extensive experience which perfectly complements our know-how in telecommunications networks, data centers, and cloud applications. Rakuten will be responsible for the installation of our active network equipment as well as for network performance. Together with Rakuten, we want to build Europe's most innovative mobile communications network on the basis of the new OpenRAN technology.

The first nine months of 2021 were also dominated by measures for the expansion of our fixed network coverage. These include DSL and VDSL connections, but in future also an increasing number of fiber-optic household connections (fiber-to-the-home/FTTH). In this connection, 1&1 AG entered into an agreement with its affiliate 1&1 Versatel regarding the long-term purchase of FTTH and VDSL complete packages including voice and IPTV as of April 1, 2021. At the same time, 1&1 Versatel entered into an agreement with Deutsche Telekom on the use of its FTTH and VDSL household connections. These enable 1&1 Versatel to provide FTTH/VDSL complete packages for 1&1, as 1&1 Versatel's nationwide fiber-optic transport network is largely connected to the local broadband networks of Deutsche Telekom. By signing this agreement, we have taken a further step toward our goal of providing an ever-growing number of households with guaranteed gigabit speeds.

Together with Morgan Stanley Infrastructure Partners, we are also supporting the implementation of Tele Columbus's Fiber Champion strategy. In a first step, Kublai GmbH (a bidding company backed by Morgan Stanley) submitted a voluntary public takeover offer for Tele Columbus shares. Following the successful completion of the takeover bid, we contributed our Tele Columbus shares to Kublai in April 2021 and raised our stake in Kublai to 40%. After the closing of the transaction and the delisting of Tele Columbus, Kublai currently holds around 94.8% of Tele Columbus shares. In addition, 1&1 has signed a binding preliminary agreement with Tele Columbus to use the latter's cable/fiber-optic network as a pre-service for its broadband products, enabling it to tap further target groups via fiber-optic and, for the first time, also via cable connections.

In early 2021, we strengthened our Business Applications segment with the acquisition of we22 AG, a company which develops software for the creation, maintenance, and hosting of websites. we22 is best-known for its white-label website builder CM4all. With over 25 language versions, CM4all has been an essential part of the product offering of over 50 hosting providers worldwide since 2000. Under its Web4Business brand, we22 also offers website creation and online marketing services for small businesses and freelancers in Germany. we22's products and services will also be made available to IONOS customers in the future. CM4all will continue to be offered as a white-label solution for other internet providers and business customers.

Last but not least, we increased our stakes in the subsidiaries IONOS TopCo SE from 66.67% to 75.10% (in Q2 2021) and in 1&1 AG from 75.10% to 76.97% (in Q2 2021) and then to 78.32% (in September 2021) during the reporting period.

Following the successful first nine months of 2021, we can confirm our full-year guidance for 2021 and continue to anticipate sales growth to approx. € 5.6 billion and an increase in our operating EBITDA to approx. € 1.25 billion (without consideration of the out-of-period income of € 39.4 million in connection with the signing of the national roaming agreement).

We are well prepared for the next steps in our Company's development and upbeat about our prospects for the remaining months of the fiscal year. In view of the successful first nine months, we would like to express our heartfelt gratitude to all employees for their dedicated efforts as well as to our shareholders and business associates for the trust they continue to place in United Internet AG.

Montabaur, November 9, 2021

Ralph Dommermuth

INTERIM STATEMENT ON THE THIRD QUARTER OF 2021

Business development

Merger & acquisitions

In addition to its successful operating business, progress on the path to establishing its own mobile communications network, and the expansion of its fixed network coverage, the Group's fiscal year 2021 has also been dominated by a number of acquisitions, share purchases, and increases in existing shareholdings:

- 100% acquisition of we22 AG in the Business Applications segment in the first quarter of 2021.
- Acquisition of a 40% stake in Kublai GmbH in the second quarter of 2021 – after the previously held shares in Tele Columbus were contributed to Kublai. Kublai currently holds 94.80% of shares in Tele Columbus.
- Stake in IONOS TopCo SE increased from 66.67% to 75.10% in the second quarter of 2021.
- Stake in 1&1 AG increased from 75.10% to 76.97% (in Q2 2021) and then to 78.32% in September 2021.

Further information is provided in the chapter "Position of the Group".

Development of divisions and segments

The United Internet Group's operating activities are divided into the two business divisions Access and Applications, which in turn comprise the segments Consumer Access and Business Access, as well as Consumer Applications and Business Applications.

Development of the Consumer Access segment

The number of **fee-based contracts in the Consumer Access segment** rose by a further 440,000 contracts to 15.27 million in the first nine months of 2021. Broadband connections decreased by 50,000 to 4.26 million, while mobile internet contracts increased by 490,000 to 11.01 million.

Development of Consumer Access contracts in the first nine months of 2021

in million	Sept. 30, 2021	Dec. 31, 2020	Change
Consumer Access, total contracts	15.27	14.83	+ 0.44
thereof Mobile Internet	11.01	10.52	+ 0.49
thereof broadband connections	4.26	4.31	- 0.05

Development of Consumer Access contracts in the third quarter of 2021

in million	Sept. 30, 2021	June 30, 2021	Change
Consumer Access, total contracts	15.27	15.11	+ 0.16
thereof Mobile Internet	11.01	10.83	+ 0.18
thereof broadband connections	4.26	4.28	- 0.02

Sales of the Consumer Access segment rose by 3.1% in the first nine months of 2021, from € 2,792.8 million in the previous year to € 2,880.5 million.

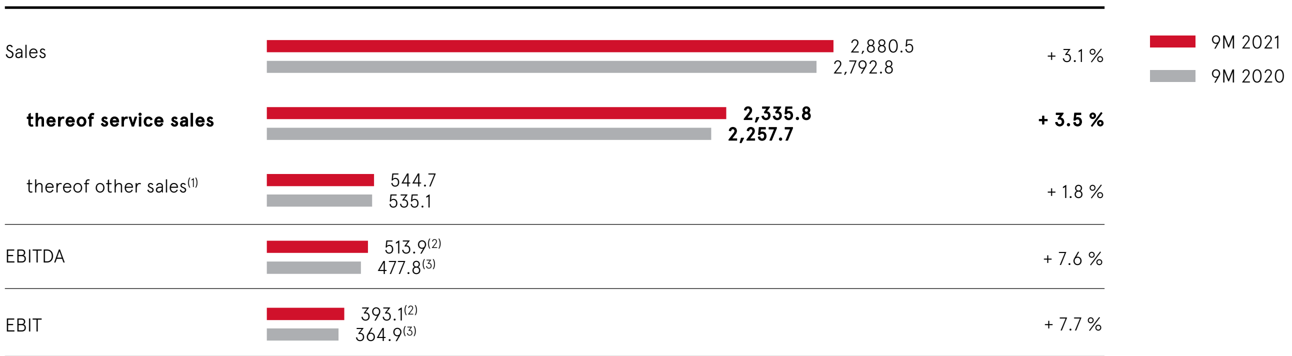
High-margin **service revenues** – which represent the core business of the segment – improved by 3.5% from € 2,257.7 million to € 2,335.8 million. Low-margin **other revenues** (mostly smartphone sales) rose by 1.8%, from € 535.1 million to € 544.7 million.

EBITDA improved strongly from € 458.6 million in the previous year to € 553.3 million and EBIT from € 345.7 million to € 432.5 million. Key earnings figures include an **(out-of-period) positive effect on earnings** from the fiscal year 2020 totaling € 39.4 million, of which excessive MBA MVNO billing in the third quarter of 2020 accounted for € 19.2 million. On February 15, 2021, 1&1 accepted Telefónica Germany's improved offer – following review by the EU Commission – for national roaming and thus also retroactively as of July 1, 2020 for the related MBA MVNO advance services. The prices offered include annually decreasing data prices again, similar to the pricing mechanisms in the first five years of the MBA MVNO agreement. The offer accepted by 1&1 was transposed into a long-term national roaming agreement with Telefónica on May 21, 2021.

After correctly allocating the above mentioned effects to their respective periods, **operating segment EBITDA** improved by 7.6%, from € 477.8 million in the same period last year to € 513.9 million. Operating EBITDA includes initial costs for the construction of the Company's own 5G network of € -24.5 million (prior year: € -8.4 million). **Operating segment EBITDA** was also burdened by these costs and rose by 7.7%, from € 364.9 million to € 393.1 million.

There was a corresponding improvement in the **operating EBITDA margin** from 17.1% to 17.8% and in the **operating EBIT margin** from 13.1% to 13.6%.

Key sales and earnings figures in the Consumer Access segment (in € million)



(1) Mainly hardware sales
(2) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +39.4 million)
(3) Excluding excessive MBA MVNO billing in Q3 2020 (EBITDA and EBIT effect: € -19.2 million)

Quarterly development; change over prior-year quarter

in € million	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q3 2020	Change
Sales	966.2	965.9	950.3	964.3	925.6	+ 4.2%
thereof service sales	**762.3**	**762.2**	**779.5**	**794.1**	**760.8**	**+ 4.4%**
thereof other sales(1)	203.9	203.7	170.8	170.2	164.8	+ 3.3%
EBITDA	162.8(2)	168.4(3)	168.6(4)	176.9	146.5(5)	+ 20.8%
EBIT	123.2(2)	128.9(3)	129.3(4)	134.9	107.0(5)	+ 26.1%

(1) Mainly hardware sales
(2) Excluding excessive MBA MVNO billing (EBITDA and EBIT effect: € -20.2 million); excluding non-cash write-off of VDSL contingents that are still available (EBITDA and EBIT effect: € -129.9 million)
(3) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +34.4 million)
(4) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +5.0 million)
(5) Excluding excessive MBA MVNO billing (EBITDA and EBIT effect: € -19.2 million)

Multi-period overview: Development of key sales and earnings figures

in € million	9M 2017 (IAS 18)	9M 2018 (IFRS 15)	9M 2019 (IFRS 16)	9M 2020	9M 2021
Sales	1,975.8	2,683.4	2,709.2	2,792.8	2,880.5
thereof service sales	**1,882.7**	**2,136.4**	**2,200.3**	**2,257.7**	**2,335.8**
thereof other sales(1)	93.1	547.0	508.9	535.1	544.7
EBITDA	361.9	521.8	508.6	477.8(2)	513.9(3)
EBITDA margin	18.3%	19.4%	18.8%	17.1%	17.8%
EBIT	339.3	401.1	396.6	364.9(2)	393.1(3)
EBIT margin	17.2%	14.9%	14.6%	13.1%	13.6%

(1) Mainly hardware sales
(2) Excluding excessive MBA MVNO billing in Q3 2020 (EBITDA and EBIT effect: € -19.2 million)
(3) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +39.4 million)

In addition to its good operating results, further progress was also achieved with the planned mobile communications network. As well as concluding the aforementioned national roaming agreement with Telefónica, the fiber-optic network was further expanded, a detailed antenna network plan was prepared, and a strong partner for network construction was found in Rakuten.

On August 4, 2021, 1&1 AG and the Rakuten Group, Inc. announced a long-term partnership for the construction of a fourth mobile communications network in Germany. Together with Rakuten, 1&1 plans to build Europe's first fully virtualized mobile network based on the innovative OpenRAN technology.

Rakuten is a pioneer of OpenRAN technology. After several years of preparation and development work, Rakuten launched the world's first commercial fully virtualized OpenRAN in Japan as a newcomer to the market in April 2020. 1&1 will now benefit from this experience and expertise. Specifically, Rakuten will be responsible for the installation of the active network equipment and also for the overall performance of the 1&1 mobile network. 1&1 will have access to the Rakuten Communications Platform (RCP) with its access, core, cloud, and operating solutions, as well as to Rakuten's partner network. In this connection, Rakuten will also provide access to its specially developed orchestration software, enabling the 1&1 network to be operated with a high degree of automation.

In contrast to traditional network architectures, the OpenRAN approach makes a strict separation between software and hardware. By using commercially available computers, so-called COTS (commercial off-the-shelf) hardware, a wide variety of software and antenna manufacturers can be combined as needed. This means that 1&1 is not dependent on the dominant providers and has the possibility to cooperate flexibly with various manufacturers. All network functions are located in the cloud and controlled by software. This means that time-consuming retrofits or maintenance at the antenna base stations are no longer necessary as they can be carried out efficiently and inexpensively via software updates. Four central data centers are planned for the core network. Hundreds of decentralized data centers throughout Germany will be connected to this network, which in turn will be linked via fiber-optic cable to thousands of antenna sites. The data centers and fiber-optic cables will be provided by 1&1's affiliate 1&1 Versatel.

In the first nine months of 2021, activities were also dominated by measures for the expansion of its long-term fixed network coverage. These include DSL and VDSL connections, but in future also an increasing number of fiber-optic household connections (fiber-to-the-home/FTTH). In this connection, 1&1 AG entered into an agreement with its affiliate 1&1 Versatel regarding the long-term purchase of FTTH and VDSL complete packages including voice and IPTV as of April 1, 2021. At the same time, 1&1 Versatel entered into an agreement with Deutsche Telekom on the use of its FTTH and VDSL connections for households. These enable 1&1 Versatel to provide FTTH/VDSL complete packages for 1&1, as 1&1 Versatel's nationwide fiber-optic transport network is largely connected to the local broadband networks of Deutsche Telekom. In addition to its existing access to FTTH connections of well-known city carriers, 1&1 Versatel will thus have initial access to approx. 750,000 additional FTTH connections. The number of marketable FTTH connections of Deutsche Telekom is expected to increase by an average of 2 million households per year in future. FTTH connections for private households enable bandwidths of up to 1 Gbit/s. Households not yet equipped with FTTH will be supplied with VDSL connections (up to 250 Mbit/s).

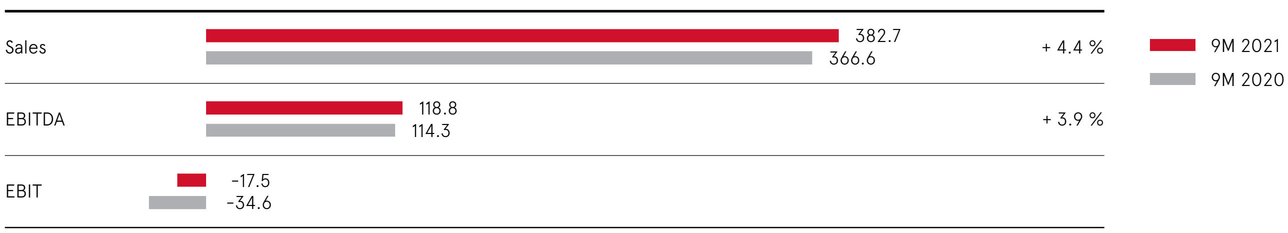
Development of the Business Access segment

Although the last one-off revenues were received in the previous year (€ 9.4 million, of which € 6.6 million in the third quarter), sales in the Business Access segment rose by 4.4% in the first nine months of 2021, from € 366.6 million in the previous year to € 382.7 million.

At the same time, **segment EBITDA** improved by 3.9% from € 114.3 million in the previous year to € 118.8 million. This figure includes a one-off burden of € 1.1 million in connection with the new advance service agreement with Deutsche Telekom. Consequently, the **EBITDA margin** of 31.0% was slightly below the prior-year figure (31.2%).

Despite high writedowns for network infrastructure, **segment EBIT** improved from € -34.6 million in the previous year to € -17.5 million.

Key sales and earnings figures in the Business Access segment (in € million)



Quarterly development; change over prior-year quarter

in € million	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q3 2020	Change
Sales	126.7	128.3	130.1	124.3	125.1	- 0.6%
EBITDA	35.5	38.2	40.9	39.7	39.4	+ 0.8%
EBIT	- 13.5	- 6.9	- 4.5	- 6.1	- 9.4	

Multi-period overview: Development of key sales and earnings figures

in € million	9M 2017 (IAS 18)	9M 2018 (IFRS 15)	9M 2019 (IFRS 16)	9M 2020	9M 2021
Sales	325.8	334.6	352.5	366.6	382.7
EBITDA	62.1	43.6	105.0	114.3	118.8
EBITDA margin	19.1%	13.0%	29.8%	31.2%	31.0%
EBIT	- 29.1	- 52.5	- 43.0	- 34.6	- 17.5
EBIT margin	-	-	-	-	-

Development of the Consumer Applications segment

In the first nine months of 2021, the number of pay accounts rose by 80,000 to 2.45 million fee-based contracts. By contrast, there was a seasonal decline in ad-financed free accounts of 110,000 to 39.29 million compared to December 31, 2020 – but an increase of 470,000 compared to September 30, 2020. As a result of this temporary decline in free accounts, the total number of **Consumer Applications accounts** also fell by 30,000 to 41.74 million.

Development of Consumer Applications accounts in the first nine months of 2021

in million	Sept. 30, 2021	Dec. 31, 2020	Change
Consumer Applications, total accounts	41.74	41.77	- 0.03
thereof with Premium Mail subscription	1.70	1.63	+ 0.07
thereof with Value-Added subscription	0.75	0.74	+ 0.01
thereof free accounts	39.29	39.40	- 0.11

Development of Consumer Applications accounts in the third quarter of 2021

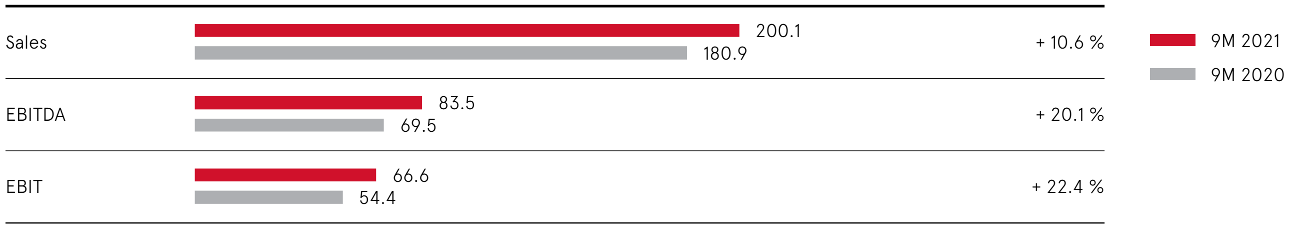
in million	Sept. 30, 2021	June 30, 2021	Change
Consumer Applications, total accounts	41.74	42.12	- 0.38
thereof with Premium Mail subscription	1.70	1.68	+ 0.02
thereof with Value-Added subscription	0.75	0.75	0.00
thereof free accounts	39.29	39.69	- 0.40

In the first nine months of 2021, activities in the Consumer Applications segment continued to focus on the establishment of data-driven business models. In addition to the further increase in customer accounts, this transformation is also reflected in the growing success of the segment's key financial figures.

Sales of the Consumer Applications segment, for example, improved by 10.6% in the first nine months of 2021, from € 180.9 million in the same period last year to € 200.1 million.

Segment EBITDA rose by 20.1% from € 69.5 million to € 83.5 million and **segment EBIT** by 22.4% from € 54.4 million to € 66.6 million. As a result, there were also significant improvements in the **EBITDA margin** from 38.4% to 41.7% and in the **EBIT margin** from 30.1% to 33.3%.

Key sales and earnings figures in the Consumer Applications segment (in € million)



Quarterly development; change over prior-year quarter

in € million	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q3 2020	Change
Sales	70.9	65.3	68.9	65.9	61.2	+ 7.7%
EBITDA	31.2	25.9	30.2	27.4	22.5	+ 21.8%
EBIT	24.6	20.5	24.4	21.7	17.4	+ 24.7%

Multi-period overview: Development of key sales and earnings figures

in € million	9M 2017 (IAS 18)	9M 2018 (IFRS 15)	9M 2019 (IFRS 16)	9M 2020	9M 2021
Sales[1]	201.8	203.9	178.2 (184.5)	180.9	200.1
EBITDA	84.7	79.9	70.6	69.5	83.5
EBITDA margin	42.0%	39.2%	39.6%	38.4%	41.7%
EBIT	76.0	70.8	58.2	54.4	66.6
EBIT margin	37.7%	34.7%	32.7%	30.1%	33.3%

(1) Sales in 2019 after changing from gross to net presentation of third-party marketing revenues in 2020; the gross amount disclosed in 2019 is shown in brackets; 2017 - 2018 reported unchanged on a gross statement

Development of the Business Applications segment

The number of **fee-based Business Applications contracts** was increased by a further 240,000 contracts in the first nine months of 2021. This growth resulted from 150,000 contracts in Germany and 90,000 contracts abroad. As a result, the total number of contracts rose to 8.69 million. This growth includes around 7,500 contracts from the takeover of we22 (consolidated since February 1, 2021).

Development of Business Applications contracts in the first nine months of 2021

in million	Sept. 30, 2021	Dec. 31, 2020	Change
Business Applications, total contracts	8.69	8.45	+ 0.24
thereof in Germany	4.21	4.06	+ 0.15
thereof abroad	4.48	4.39	+ 0.09

Development of Business Applications contracts in the third quarter of 2021

in million	Sept. 30, 2021	June 30, 2021	Change
Business Applications, total contracts	8.69	8.63	+ 0.06
thereof in Germany	4.21	4.17	+ 0.04
thereof abroad	4.48	4.46	+ 0.02

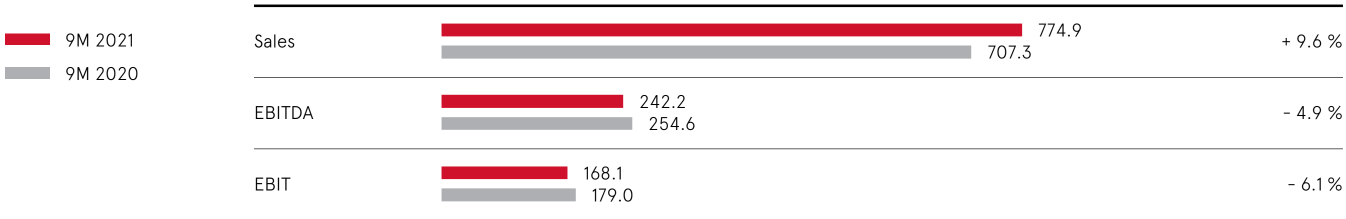
Sales of the Business Applications segment rose by 9.6% from € 707.3 million in the previous year to € 774.9 million in the first nine months of 2021. The Sedo business (domain trading platform and domain parking) contributed 3.3 percentage points to this sales growth.

As expected, **segment EBITDA** deteriorated by -4.9% from € 254.6 million to € 242.2 million due to the announced investments of IONOS amounting to € -24.8 million at present for a product and sales drive focusing on cloud business and further international expansion.

Segment EBIT was also burdened by these investments and decreased by 6.1% from € 179.0 million to € 168.1 million.

There was a corresponding decline in the **EBITDA margin** and **EBIT margin** from 36.0% to 31.3% and from 25.3% to 21.7%, respectively.

Key sales and earnings figures in the Business Applications segment (in € million)



Quarterly development; change over prior-year quarter

in € million	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q3 2020	Change
Sales	241.3	256.2	258.2	260.5	235.7	+ 10.5%
EBITDA	73.7	79.2	84.1	78.9	86.8	- 9.1%
EBIT	50.2	54.1	60.0	53.9	61.6	- 12.5%

Multi-period overview: Development of key sales and earnings figures

in € million	9M 2017 (IAS 18)	9M 2018 (IFRS 15)	9M 2019 (IFRS 16)	9M 2020	9M 2021
Sales	557.2	634.7	665.7	707.3	774.9
EBITDA	186.4	233.9	236.8	254.6	242.2
EBITDA margin	33.5%	36.9%	35.6%	36.0%	31.3%
EBIT	143.7	168.4	156.8	179.0	168.1
EBIT margin	25.8%	26.5%	23.6%	25.3%	21.7%

In addition to its successful operating business, IONOS further strengthened the segment with the acquisition of we22 AG in early 2021. we22 develops software for the creation, maintenance, and hosting of websites. The company is best-known for its white-label website builder CM4all. With over 25 language versions, CM4all has been an essential part of the product offering of over 50 hosting providers worldwide since 2000. Under its Web4Business brand, we22 also offers website creation and online marketing services for small businesses and freelancers in Germany. we22's products and services will also be made available to IONOS customers in the future. CM4all will continue to be offered as a white-label solution for other internet providers and business customers.

Position of the Group

There were **no significant acquisition or divestment effects** on consolidated and segment sales and EBITDA in the first nine months of 2021. There were also only **minor negative currency effects** at Group and segment level (Business Applications segment) amounting to € -7.0 million for sales and € -1.6 million for EBITDA. The same applies to the Group's asset position, for which there were no significant effects from currency fluctuations.

Earnings position

In the first nine months of 2021, the total number of **fee-based customer contracts** in the United Internet Group was raised by 760,000 to 26.41 million contracts. Due to seasonal effects, ad-financed **free accounts** decreased by 110,000 during the reporting period to 39.29 million compared to December 31, 2020 – but were 470,000 above the comparable prior-year reporting date of September 30, 2020.

Consolidated sales grew by 4.6% in the first nine months of 2021, from € 3,984.7 million in the previous year to € 4,167.9 million. **Sales outside Germany** improved by 8.2% from € 342.9 million to € 371.0 million (despite currency losses of € 7.0 million).

There was only a slight increase in the **cost of sales** during the reporting period, from € 2,686.6 million to € 2,695.3 million. As a result, the cost of sales ratio fell from 67.4% (of sales) in the previous year to 64.7% (of sales). This improvement was due in part to an (out-of-period) positive effect of € +39.4 million in the first nine months of 2021 (for further details, please refer to the comments on earnings below) with an opposing effect from excessive MBA MVNO billing (in Q3 2020) of € -19.2 million in the previous year. There was a corresponding improvement in the **gross margin** from 32.6% to 35.3%. This enabled **gross profit** to rise faster than sales (4.6%) by 13.4% from € 1,298.1 million to € 1,472.6 million.

Due in part to the IONOS sales drive, **sales and marketing expenses** increased slightly faster than sales, from € 569.4 million (14.3% of sales) in the previous year to € 608.9 million (14.6% of sales). There was
a strongly disproportionate increase in **administrative expenses** from € 151.1 million (3.8% of sales) to € 184.6 million (4.4% of sales), due to increased legal and consultancy costs (for preparations and negotiations in connection with the rollout of the Company's own 5G network).

Multi-period overview: Development of key cost items

in € million	9M 2017 (IAS 18)	9M 2018 (IFRS 15)	9M 2019 (IFRS 16)	9M 2020	9M 2021
Cost of sales	1,924.5	2,501.0	2,546.9	2,686.6(1)	2,695.3(2)
Cost of sales ratio	64.0%	65.8%	66.1%	67.4%	64.7%
Gross margin	36.0%	34.2%	33.9%	32.6%	35.3%
Selling expenses	433.8	510.5	556.4	569.4	608.9
Selling expenses ratio	14.4%	13.4%	14.4%	14.3%	14.6%
Administrative expenses	131.8	163.2	154.7	151.1	184.6
Administrative expenses ratio	4.4%	4.3%	4.0%	3.8%	4.4%

(1) Including an excessive MBA MVNO billing in Q3 2020 (effect: € -19.2 million)
(2) Including a non-period positive effect on earnings (excessive MBA MVNO billings) from Q4 2020 (effect: € +39.4 million)

EBITDA improved strongly from € 896.4 million to € 994.5 million and EBIT from € 541.6 million to € 643.9 million. Key earnings figures include an **(out-of-period) positive effect on earnings** from the fiscal year 2020 totaling € 39.4 million, of which excessive MBA MVNO billing in the third quarter of 2020 accounted for € 19.2 million. On February 15, 2021, 1&1 accepted Telefónica Germany's improved offer –

following review by the EU Commission – for national roaming and thus also retroactively as of July 1, 2020 for the related MBA MVNO advance services. The prices offered include annually decreasing data prices again, similar to the pricing mechanisms in the first five years of the MBA MVNO agreement. The offer accepted by 1&1 was transposed into a long-term national roaming agreement with Telefónica on May 21, 2021.

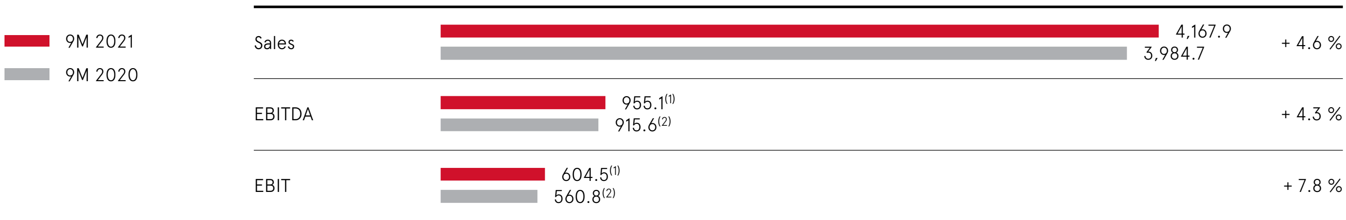
After correctly allocating the above mentioned effects to their respective periods, key earnings figures developed as follows: **operating EBITDA for the Group** rose by 4.3% in the first nine months of 2021, from € 915.6 million in the previous year to € 955.1 million, and the **Group's operating EBIT** by 7.8%, from € 560.8 million to € 604.5 million. These figures include initial costs incurred by 1&1 for the construction of the Group's 5G network of € -24.5 million (prior year: € -8.4 million), as well as the announced investments of IONOS amounting to € -24.8 million for a product and sales drive focusing on its cloud business and further international expansion.

The **operating EBITDA margin** of 22.9% was thus virtually unchanged from the previous year (23.0%) while the **operating EBIT margin** improved from 14.1% to 14.5%.

Earnings before taxes (EBT) increased from € 501.7 million in the previous year to € 620.5 million in the reporting period. The figure for the current reporting period includes the aforementioned (out-of-period) positive effect on earnings (EBT effect: € +39.4 million), while the prior-year figure includes a burden on earnings from excessive MBA MVNO billing (EBT effect: € -19.2 million). After correctly allocating these effects to their respective periods, **operating EBT** of € 581.1 million was 11.6% up on the previous year (€ 520.9 million).

Earnings per share (EPS) increased from € 1.33 in the previous year to € 1.80. EPS also includes the (out-of-period) positive effect on earnings (EPS effect: € +0.11) and in the previous year the excessive MBA MVNO billing (EPS effect: € -0.05). After correctly allocating these effects to their respective periods, **operating EPS** rose by 22.5%, from € 1.38 to € 1.69 and **operating EPS before PPA** by 14.5%, from € 1.73 to € 1.98.

Key sales and earnings figures of the Group (in € million)



(1) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +39.4 million)
(2) Excluding excessive MBA MVNO billing in Q3 2020 (EBITDA and EBIT effect: € -19.2 million)

Quarterly development; change over prior-year quarter

in € million	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q3 2020	Change
Sales	1,382.5	1,392.2	1,383.4	1,392.3	1,326.8	+ 4.9%
EBITDA	302.6[1]	312.1[2]	321.7[3]	321.3	295.1[4]	+ 8.9%
EBIT	183.3[1]	196.2[2]	206.3[3]	202.0	175.5[4]	+ 15.1%

(1) Excluding excessive MBA MVNO billing (EBITDA and EBIT effect: € -20.2 million); excluding non-cash write-off of VDSL contingents that are still available (EBITDA and EBIT effect: € -129.9 million)
(2) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +34.4 million)
(3) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +5.0 million)
(4) Excluding excessive MBA MVNO billing (EBITDA and EBIT effect: € -19.2 million)

Multi-period overview: Development of key sales and earnings figures

in € million	9M 2017 (IAS 18)	9M 2018 (IFRS 15)	9M 2019 (IFRS 16)	9M 2020	9M 2021
Sales	3,008.2	3,800.4	3,855.0	3,984.7	4,167.9
EBITDA	684.1 (1)	874.6	922.5 (2)	915.6 (3)	955.1 (4)
EBITDA margin	22.7%	23.0%	23.9%	23.0%	22.9%
EBIT	511.2 (1)	582.8	566.1 (2)	560.8 (3)	604.5 (4)
EBIT margin	17.0%	15.3%	14.7%	14.1%	14.5%

(1) Excluding extraordinary income from revaluation of Drillisch shares (EBITDA and EBIT effect: € +303.0 million) and revaluation of ProfitBricks shares (EBITDA and EBIT effect: € +16.1 million), as well as without M&A transaction costs (EBITDA and EBIT effect: € -17.1 million)
(2) Excluding extraordinary income from the sale of virtual minds shares (EBITDA and EBIT effect: € +21.5 million)
(3) Excluding excessive MBA MVNO billing in Q3 2020 (EBITDA and EBIT effect: € -19.2 million)
(4) Excluding a non-period positive effect on earnings (excessive MBA MVNO billings) from 2020 (EBITDA and EBIT effect: € +39.4 million)

Financial position

Thanks to the positive trend in operating earnings, **operative cash flow** rose from € 690.5 million in the previous year to € 796.7 million in the first nine months of 2021.

At € 535.9 million, **cash flow from operating activities** was below the prior-year figure (€ 717.7 million). This resulted in particular from prepayments made to advance service providers.

Cash flow from investing activities in the reporting period led to a net outflow of € 451.9 million (prior year: € 349.2 million). This resulted mainly from capital expenditures of € 203.9 million (prior year: € 356.9 million, of which € 165.0 million for the extension phase of the MBA MVNO agreement), from payments to acquire shares in associated companies totaling € 220.1 million (especially for the stake in Kublai GmbH), as well as from payments of € 22.6 million for the purchase of shares in affiliates (especially for the acquisition of we22 AG).

United Internet's free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant, and equipment. Due to the decrease in cash flow from operating activities and – with an opposing effect – the lower level of capital expenditures, **free cash flow** declined slightly from € 365.4 million to € 335.2 million. The redemption share of lease liabilities is disclosed in cash flow from financing activities. After deducting the cash flow item "Redemption of finance lease liabilities and rights of use", free cash flow fell from € 284.3 million to € 253.1 million.

Cash flow from financing activities in the first nine months of 2021 was dominated by the net assumption of loans totaling € 512.3 million (prior year: loan repayments of € 251.6 million), the redemption of lease liabilities of € 82.1 million (prior year: € 81.1 million), the dividend payment of € 93.6 million (prior year: € 93.6 million), as well as the payment of € 458.4 million to minority shareholders for increased shareholdings in IONOS TopCo SE and 1&1 AG.

As of September 30, 2021, **cash and cash equivalents** amounted to € 75.6 million – compared to € 43.5 million on the same date last year.

Development of key cash flow figures

in € million	9M 2021	9M 2020	Change
Operative cash flow	796.7	690.5	+ 106.2
Cash flow from operating activities	535.9	717.7	- 181.8
Cash flow from investing activities	- 451.9	- 349.2	- 102.7
Free cash flow(1)	253.1(2)	284.3(3)	- 31.2
Cash flow from financing activities	- 143.1	- 441.2	+ 298.1
Cash and cash equivalents on September 30	75.6	43.5	+ 32.1

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment
(2) 2021 including the repayment portion of lease liabilities (€ 82.1 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)
(3) 2020 including the repayment portion of lease liabilities (€ 81.1 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

Multi-period overview: Development of key cash flow figures

in € million	9M 2017 (IAS 18)	9M 2018 (IFRS 15)	9M 2019 (IFRS 16)	9M 2020	9M 2021
Operative cash flow	461.1	659.3	725.8	690.5	796.7
Cash flow from operating activities	503.5(2)	326.7	476.0	717.7	535.9
Cash flow from investing activities	- 805.0	- 268.9	- 69.6	- 349.2	- 451.9
Free cash flow(1)	352.1(2)	181.7(3)	323.7(4)	284.3(5)	253.1(5)
Cash flow from financing activities	269.5	- 235.5	- 415.6	- 441.2	- 143.1
Cash and cash equivalents on September 30	134.7	61.3	49.5	43.5	75.6

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment
(2) 2017 without consideration of a capital gains tax refund originally planned for the fourth quarter of 2016 (€ 70.3 million)
(3) 2018 without tax payment from fiscal year 2016 (€ 34.7 million)
(4) 2019 without capital gains tax payment (€ 56.2 million) and without tax payments from fiscal year 2017 and previous years (€ 27.2 million) and including the repayment portion of lease liabilities, which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)
(5) 2020 and 2021 including the repayment portion of lease liabilities, which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

Asset position

The **balance sheet total** increased from € 9.231 billion as of December 31, 2020 to € 9.584 billion on September 30, 2021.

Development of current assets

in € million	Sept. 30, 2021	Dec. 31, 2020	Change
Cash and cash equivalents	75.6	131.3	- 55.7
Trade accounts receivable	375.6	344.8	+ 30.7
Contract assets	619.3	577.6	+ 41.7
Inventories	77.0	85.4	- 8.4
Prepaid expenses	245.5	214.4	+ 31.2
Other financial assets	112.4	82.3	+ 30.2
Income tax claims	35.5	64.8	- 29.3
Other non-financial assets	10.6	12.4	- 1.8
Total current assets	**1,551.6**	**1,512.9**	**+ 38.7**

Current assets rose from € 1,512.9 million as of December 31, 2020 to € 1,551.6 million on September 30, 2021. However, **cash and cash equivalents** disclosed under current assets decreased from € 131.3 million to € 75.6 million due to closing-date effects and M&A transactions. By contrast, **trade accounts receivable** rose slightly from € 344.8 million to € 375.6 million due to closing-date effects and the expansion of business. As a result of customer growth and increased hardware sales, the item **contract assets** rose from € 577.6 million to € 619.3 million and includes current claims against customers due to accelerated revenue recognition from the application of IFRS 15. **Current prepaid expenses** increased from € 214.4 million to € 245.5 million due to closing-date effects and the short-term portion of a contingent payment to an advance service provider. This item mainly comprises the short-term portion of expenses relating to contract acquisition and contract fulfillment according to IFRS 15. Due to loans granted to associated companies and acquired derivatives, current **other financial assets** rose from € 82.3 million to € 112.4 million. By contrast, **income tax claims** fell from € 64.8 million to € 35.5 million. **Inventories** and **other non- financial assets** were virtually unchanged.

Development of non-current assets

in € million	Sept. 30, 2021	Dec. 31, 2020	Change
Shares in associated companies	426.0	89.6	+ 336.5
Other financial assets	16.6	9.9	+ 6.7
Property, plant and equipment	1,319.9	1,271.6	+ 48.3
Intangible assets	2,079.4	2,197.8	- 118.4
Goodwill	3,637.1	3,609.4	+ 27.7
Trade accounts receivable	48.5	54.0	- 5.4
Contract assets	188.0	196.5	- 8.5
Prepaid expenses	290.9	144.8	+ 146.1
Deferred tax assets	26.1	20.4	+ 5.7
Total non-current assets	**8,032.5**	**7,594.0**	**+ 438.5**
Assets held for sale	0.0	124.0	- 124.0

Non-current assets rose strongly from € 7,594.0 million as of December 31, 2020 to € 8,032.5 million on September 30, 2021. This was mainly due to the increase in **shares in associated companies** from € 89.6 million to € 426.0 million – resulting in particular from the acquisition of a stake in Kublai GmbH. **Property, plant, and equipment** rose slightly from € 1,271.6 million to € 1,319.9 million, while **intangible assets** declined from € 2,197.8 million to € 2,079.4 million mainly due to amortization. **Goodwill**

increased from € 3,609.4 million to € 3,637.1 million, primarily as a result of the acquisition of we22 AG. The strong increase in **prepaid expenses** from € 144.8 million to € 290.9 million was due to closing-date effects and the long-term portion of payments under the contingent agreement with Deutsche Telekom. Non-current **other financial assets**, **trade accounts receivable, contract assets**, and **deferred tax assets** were all largely unchanged.

Development of current liabilities

in € million	Sept. 30, 2021	Dec. 31, 2020	Change
Trade accounts payable	444.2	532.8	- 88.6
Liabilities due to banks	532.2	370.4	+ 161.7
Income tax liabilities	57.9	114.6	- 56.7
Contract liabilities	156.9	152.1	+ 4.8
Other accrued liabilities	7.5	9.3	- 1.8
Other financial liabilities	292.1	278.6	+ 13.4
Other non-financial liabilities	116.4	46.7	+ 69.6
Total current liabilities	**1,607.2**	**1,504.6**	**+ 102.6**

Current liabilities increased from € 1,504.6 million as of December 31, 2020 to € 1,607.2 million on September 30, 2021. Due to closing-date effects, current **trade accounts payable** decreased from € 532.8 million to € 444.2 million. Current **liabilities due to banks** rose from € 370.4 million to € 532.2 million due to reclassifications of non-current liabilities (in accordance with their maturity). **Income tax liabilities** declined from € 114.6 million to € 57.9 million. Current **other non-financial liabilities** increased from € 46.7 million to € 116.4 million and mainly include liabilities due to tax authorities. The item current **contract liabilities**, which mainly includes payments received from customer contracts for which the performance has not yet been completely rendered, as well as the items current **other accrued liabilities** and current **other financial liabilities** were largely unchanged.

Development of non-current liabilities

in € million	Sept. 30, 2021	Dec. 31, 2020	Change
Liabilities due to banks	1,446.2	1,095.7	+ 350.5
Deferred tax liabilities	320.8	331.6	- 10.8
Trade accounts payable	5.9	6.0	- 0.2
Contract liabilities	32.5	33.6	- 1.1
Other accrued liabilities	70.7	69.3	+ 1.3
Other financial liabilities	1,290.7	1,278.7	+ 12.0
Total non-current liabilities	**3,166.7**	**2,815.0**	**+ 351.7**

Non-current liabilities increased from € 2,815.0 million as of December 31, 2020 to € 3,166.7 million on September 30, 2021. This was mainly due to long-term **liabilities due to banks**, which rose from € 1,095.7 million to € 1,446.2 million following the assumption of long-term loans in connection with M&A transactions.

As in 2014 and 2017, United Internet AG successfully placed a promissory note loan ("Schuldscheindarlehen") in its fiscal year 2021. As the transaction was significantly oversubscribed, the Company decided to raise the originally planned placement volume to an ultimate amount of € 750 million. The promissory note loan comprises several tranches with terms of three to six years and largely fixed interest rates with an average interest rate of 0.79% p.a. The transaction was closed in July 2021.

The items **deferred tax liabilities**, non-current **trade accounts payable**, non-current **contract liabilities** (which mainly include payments received from customer contracts for which the performance has not yet been completely rendered), as well as non-current **other accrued liabilities** and **other financial liabilities** were all largely unchanged.

Development of equity

in € million	Sept. 30, 2021	Dec. 31, 2020	Change
Capital stock	194.0	194.0	0.0
Capital reserves	1,944.2	2,322.8	- 378.6
Accumulated profit	2,483.0	2,240.5	+ 242.5
Treasury shares	- 231.5	- 212.7	- 18.7
Revaluation reserves	- 3.0	- 4.4	+ 1.4
Currency translation adjustment	- 16.6	- 21.1	+ 4.5
Equity attributable to shareholders of the parent company	**4,370.1**	**4,519.1**	**- 149.0**
Non-controlling interests	440.1	392.1	+ 48.0
Total equity	**4,810.2**	**4,911.2**	**- 101.0**

The Group's **equity capital** declined from € 4,911.2 million as of December 31, 2020 to € 4,810.2 million on September 30, 2021. There was a decrease in capital reserves which was offset in part by an increase in accumulated profit. The decline in capital reserves from € 2,322.8 million to € 1,944.2 million was due to the increased stake in IONOS TopCo SE and in 1&1 AG. By contrast, the Group's **accumulated profit** rose from € 2,240.5 million to € 2,483.0 million and contains the past profits of the consolidated companies, insofar as they were not distributed. There was a corresponding decrease in the consolidated **equity ratio** from 53.2% to 50.2%.

In an ad-hoc disclosure issued on August 6, 2021, United Internet AG announced its intention to launch a share buyback program with a volume of up to € 160 million. The program commenced on August 10, 2021 and was to expire no later than on April 30, 2022. On September 13, 2021, the Management Board of United Internet AG resolved to prematurely suspend the share buyback program on expiry of September 13, 2021. In the course of the share buyback program, the Company purchased a total of 514,972 treasury shares at an average price of € 36.35 and with a total volume of € 18.7 million. As at the balance sheet date of September 30, 2021, United Internet AG therefore held 7,284,109 **treasury shares** (approx. 3.75% of the capital stock of 194,000,000 shares) – compared to 6,769,137 treasury shares as at December 31, 2020.

Net bank liabilities (i.e., the balance of bank liabilities and cash and cash equivalents) increased from € 1,334.8 million as of December 31, 2020 to € 1,902.7 million on September 30, 2021. This was due to the assumption of new loans for funding, among other things, the investment in Kublai GmbH (€ 220 million), the increased stakes in IONOS TopCo SE (€ 310 million) and 1&1 AG (€ 149 million), and the acquisition of we22 AG (€ 23 million).

Multi-period overview: Development of key balance sheet items

in € million	Dec. 31, 2017 (IAS 18)	Dec. 31, 2018 (IFRS 15)	Dec. 31, 2019 (IFRS 16)	Dec. 31, 2020	Sept. 30, 2021
Total assets	7,605.2	8,173.8	9,128.8	9,230.8	9,584.1
Cash and cash equivalents	238.5	58.1	117.6	131.3	75.6
Shares in associated companies	418.0	206.9(1)	196.0	89.6(1)	426.0(1)
Other financial assets	333.7	348.1(2)	90.4(2)	9.9(2)	16.6
Property, plant and equipment	747.4	818.0	1,160.6(3)	1,271.6	1,319.9
Intangible assets	1,408.4	1,244.6	2,167.4(4)	2,197.8	2,079.4
Goodwill	3,564.1	3,612.6(5)	3,616.5	3,609.4	3,637.1
Liabilities due to banks	1,955.8	1,939.1	1,738.4	1,466.1	1,978.4
Capital stock	205.0	205.0	205.0	194.0(6)	194.0
Equity	4,048.7	4,521.5(7)	4,614.7	4,911.2	4,810.2
Equity ratio	53.2%	55.3%	50.6%	53.2%	50.2%

(1) Decrease due to Tele Columbus impairment charges (2018); decrease due to reclassification Tele Columbus (2019); increase due to stake in Kublai (2021)
(2) Increase due to subsequent valuation of shares in listed companies (2018); decrease due to sale of Rocket Internet shares (2019); decrease due to sale of Afilias shares (2020)
(3) Increase due to initial application of IFRS 16 (2019)
(4) Increase due to initial recognition of acquired 5G frequencies (2019)
(5) Increase due to World4You takeover (2018)
(6) Decrease due to withdrawal of treasury shares (2020)
(7) Increase due to transitional effects from initial application of IFRS 15 (2018)

Management Board’s overall assessment of the business situation

United Internet can look back on a successful first nine months of 2021. In the reporting period, the Company made further investments in new customer contracts and the expansion of existing customer relationships, and thus in sustainable growth. In total, the number of fee-based customer contracts grew by a further 760,000 contracts to 26.41 million.

This figure resulted from 440,000 additional contracts in the Consumer Access segment, 80,000 extra pay accounts in the Consumer Applications segment, and a further 240,000 contracts in the Business Applications segment.

In view of this strong customer growth and a 4.6% increase in sales to around € 4.168 billion, United Internet made good progress in the first nine months of 2021. At the same time, there were also further improvements in the key operating figures – despite heavy investment in future topics. For example, EBITDA rose by 4.3% to around € 955 million and EBIT by 7.8% to around € 605 million. These figures include initial costs of € -24.5 million (prior year: € -8.4 million) for the construction of the Group’s own 5G mobile network as well as announced investments of € -24.8 million for the product and sales drive of IONOS focusing on its cloud business and further international expansion.

This performance once again highlights the benefits of United Internet’s business model based predominantly on electronic subscriptions – with fixed monthly payments and contractually fixed terms. This ensures stable and predictable revenues and cash flows, offers protection against cyclical influences, and provides the financial scope to grasp opportunities in new business fields and markets – organically or via investments and acquisitions.

With the sales and earnings figures achieved in the first nine months of 2021, as well as the investments made in sustainable corporate development, the Management Board believes that the Company is well placed for its further development.

Subsequent events

There were no significant events subsequent to the reporting date of September 30, 2021 which had a material effect on the financial position and performance of the Company or the Group nor affected its accounting and reporting.

Risk and opportunity report

The risk and opportunity policy of United Internet AG is based on the objective of maintaining and sustainably enhancing the company's value by utilizing opportunities while at the same time recognizing and managing risks from an early stage in their development. The risk and opportunity management system regulates the responsible handling of those uncertainties which are always involved with economic activity.

Management Board's overall assessment of the Group's risk and opportunity position

The assessment of the overall level of risk is based on a consolidated view of all significant risk fields and individual risks, also taking account of their interdependencies.

From the current perspective, the main challenges are still the risk fields "Litigation", "Business development & innovations" and "Information security".

On the whole, risk classifications of the risk fields of United Internet AG as at September 30, 2021 were all unchanged from December 31, 2020.

The continuous expansion of its risk management system enables United Internet to limit risks to a minimum, where economically sensible, by implementing specific measures.

Although the risk assessments of the individual risk fields were unchanged, there was a slight decrease in the overall risk compared to the end of the fiscal year 2020. The main reason for this are the valuation adjustments made to account for the impact of the coronavirus pandemic (Sars-CoV-2). It is still true that if the virus continues to spread over a longer period, this may also have a negative impact on demand, as well as on the usage and payment behavior of consumers and business owners, the purchase of pre-services (e.g., smartphones, routers, servers or network technology), or the health and fitness of employees, and thus ultimately on the performance of the United Internet Group. However, the related risks have been reduced in part as a result of the current development and the experiences made so far.

In the assessment of the overall risk situation, the opportunities which exist for United Internet were not taken into consideration. There were no risks which directly jeopardized the continued existence of the United Internet Group in the reporting period, nor as of the preparation date for this Management Report, neither from individual risk positions nor from the overall risk situation.

Forecast report

Forecast for the fiscal year 2021

Following the successful first nine months of 2021, United Internet AG can confirm its full-year guidance for 2021 and continues to anticipate sales growth to approx. € 5.6 billion and an increase in operating EBITDA to approx. € 1.25 billion (without consideration of the out-of-period income of € 39.4 million in connection with the signing of the national roaming agreement), as announced in the upgraded guidance of August 2021. EBITDA continues to include initial costs of approx. € 30 million for the construction of 1&1's 5G network and approx. € 40 million for the product and sales drive of IONOS.

Management Board's overall statement on the anticipated development

The Management Board of United Internet AG remains upbeat about its prospects for the future. Thanks to a business model based predominantly on electronic subscriptions, United Internet believes it is largely stable enough to withstand cyclical influences. With the investments made over the past few years in customer relationships, new business fields, and further internationalization, as well as via acquisitions and investments, the Company has laid a broad foundation for its future growth.

At the time of preparing this Interim Statement (Q3 2021), the Management Board of United Internet AG believes that the Company is on track to reach the sales and earnings guidance presented above in the section "Forecast for the fiscal year 2021".

Forward-looking statements

This Interim Statement contains forward-looking statements based on current expectations, assumptions, and projections of the Management Board of United Internet AG and currently available information. These forward-looking statements are subject to various risks and uncertainties and are based upon expectations, assumptions, and projections that may not prove to be accurate.
United Internet AG does not guarantee that these forward-looking statements will prove to be accurate and does not accept any obligation, nor have the intention, to adjust or update the forward-looking statements contained in this Interim Statement.

NOTES ON THE INTERIM STATEMENT

Information on the Company

United Internet AG ("United Internet") is a service company operating in the telecommunication and information technology sector with registered offices at Elgendorfer Strasse 57, 56410 Montabaur, Germany. The Company is registered at the district court of Montabaur under HRB 5762.

Significant accounting, measurement and consolidation principles

As was the case with the Consolidated Financial Statements as of December 31, 2020, the Interim Statement of United Internet AG as of September 30, 2021 was prepared in compliance with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU).

The Interim Statement does not constitute interim reporting as defined by IAS 34. With the exception of the mandatory new standards, the accounting and valuation principles applied in this Interim Statement comply with the methods applied in the previous year and should be read in conjunction with the Consolidated Financial Statements as of December 31, 2020.

Mandatory adoption of new accounting standards

The following standards are mandatory in the EU for the first time for fiscal years beginning on or after January 1, 2021:

Standard		Mandatory for fiscal years beginning on or after	Endorsed by EU Commission
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	January 1, 2021	Yes
IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	Interest Rate Benchmark Reform Phase 2	January 1, 2021	Yes
IFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021	January 1, 2021	Yes

There were no significant effects on this Interim Statement from the initial application of the new accounting standards.

Use of estimates and assumptions

The preparation of this Interim Statement requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, the uncertainty associated with these assumptions and estimates could lead to results which require material adjustments to the carrying amount of the asset or liability affected in future periods.

Use of business-relevant key financial performance indicators

In order to ensure the clear and transparent presentation of United Internet's business trend, the Company's annual and interim financial statements include key performance indicators (KPIs) – in addition to the disclosures required by International Financial Reporting Standards (IFRS) – such as EBITDA, the EBITDA margin, EBIT, the EBIT margin and free cash flow. Information on the use, definition and calculation of these KPIs is provided in the Company's Annual Report 2020 on page 57.

Insofar as required for clear and transparent presentation, the KPIs used by United Internet are adjusted for special items. Such special items usually refer solely to those effects capable of restricting the validity of the key financial performance indicators with regard to the Company's financial and earnings performance – due to their nature, frequency and/or magnitude. All special items are presented and explained for the purpose of reconciliation with the unadjusted financial figures in the relevant section of the financial statements.

Miscellaneous

This Interim Statement includes all material subsidiaries and associated companies.

- we22 Aktiengesellschaft, domiciled in Cologne, Germany, and its subsidiaries were included in the consolidated group as of February 1, 2021.

- As of April 15, 2021, United Internet acquired 40.0% of shares in Kublai GmbH, domiciled in Frankfurt, Germany, then contributed its 29.9% stake in Tele Columbus AG to Kublai, and subsequently included Kublai in the consolidated financial statements as an associated company.

- On June 2, 2021, 1&1 Drillisch AG, domiciled in Maintal, Germany, was renamed as 1&1 AG.

- On June 24, 2021, 1&1 IONOS TopCo SE, domiciled in Montabaur, Germany, was renamed as IONOS TopCo SE.

- On June 30, 2021, 1&1 IONOS Holding SE, domiciled in Montabaur, Germany, was renamed as IONOS Holding SE.

- On June 24, 2021, 1&1 IONOS SE, domiciled in Montabaur, Germany, was renamed as IONOS SE.

- On June 29, 2021, MIP Multimedia Internet Park GmbH, domiciled in Zweibrücken, Germany, was sold.

- On July 12, 2021, 1&1 IONOS Datacenter SAS was renamed as IONOS Datacenter SAS and 1&1 IONOS S.A.R.L. was renamed as IONOS S.A.R.L.

- On August 5, 2021, 1&1 IONOS Inc. was renamed as IONOS Inc.

- On August 9, 2021, 1&1 IONOS Cloud Inc. was renamed as IONOS Cloud Inc.

- On August 27, 2021, 1&1 IONOS Ltd. was renamed as IONOS Cloud Ltd. and 1&1 IONOS UK Holdings Ltd. was renamed as IONOS Cloud Holdings Ltd.

- On September 14, 2021, 1&1 IONOS Service GmbH was renamed as IONOS Service GmbH.

The consolidated group remained otherwise largely unchanged from that stated in the Consolidated Financial Statements as at December 31, 2020.

This Interim Statement was not audited according to Sec. 317 HGB nor reviewed by an auditor.

INTERIM FINANCIAL STATEMENTS

GROUP BALANCE SHEET

As of September 30, 2021 in k€

ASSETS	September 30, 2021	December 31, 2020
Current assets		
Cash and cash equivalents	75,611	131,270
Trade accounts receivable	375,586	344,838
Contract assets	619,338	577,601
Inventories	77,001	85,390
Prepaid expenses	245,539	214,382
Other financial assets	112,423	82,262
Income tax claims	35,500	64,822
Other non-financial assets	10,593	12,351
	1,551,591	**1,512,917**
Non-current assets		
Shares in associated companies	426,040	89,567
Other financial assets	16,591	9,901
Property, plant and equipment	1,319,874	1,271,567
Intangible assets	2,079,380	2,197,818
Goodwill	3,637,134	3,609,437
Trade accounts receivable	48,534	53,959
Contract assets	187,978	196,508
Prepaid expenses	290,878	144,795
Deferred tax assets	26,054	20,412
	8,032,462	**7,593,965**
Assets held for sale	0	123,955
Total assets	**9,584,054**	**9,230,836**

LIABILITIES	September 30, 2021	December 31, 2020
Current liabilities		
Trade accounts payable	444,234	532,778
Liabilities due to banks	532,164	370,435
Income tax liabilities	57,892	114,621
Contract liabilities	156,917	152,094
Other accrued liabilities	7,482	9,302
Other financial liabilities	292,080	278,636
Other non-financial liabilities	116,395	46,747
	1,607,165	**1,504,614**
Non-current liabilities		
Liabilities due to banks	1,446,187	1,095,654
Deferred tax liabilities	320,776	331,639
Trade accounts payable	5,860	6,014
Contract liabilities	32,502	33,631
Other accrued liabilities	70,673	69,329
Other financial liabilities	1,290,697	1,278,744
	3,166,696	**2,815,012**
Total liabilities	**4,773,860**	**4,319,626**
EQUITY		
Capital stock	194,000	194,000
Capital reserves	1,944,154	2,322,780
Accumulated profit	2,482,980	2,240,473
Treasury shares	-231,450	-212,731
Revaluation reserves	-3,021	-4,372
Currency translation adjustment	-16,594	-21,091
Equity attributable to shareholders of the parent company	**4,370,070**	**4,519,060**
Non-controlling interests	440,124	392,151
Total equity	**4,810,193**	**4,911,210**
Total liabilities and equity	**9,584,054**	**9,230,836**

GROUP NET INCOME

from January to September 2021 in k€

	2021 January - September	2020 January - September
Sales	4,167,920	3,984,687
Cost of sales	-2,695,341	-2,686,599
Gross profit	**1,472,579**	**1,298,088**
Selling expenses	-608,900	-569,390
General and administrative expenses	-184,615	-151,131
Other operating income / expenses	21,463	25,755
Impairment of receivables and contract assets	-56,599	-61,693
Operating result	**643,928**	**541,629**
Financial result	-14,179	-28,907
Result from associated companies	-9,243	-11,004
Pre-tax result	**620,505**	**501,719**
Income taxes	-188,399	-170,583
Net income	**432,106**	**331,136**
thereof attributable to		
non-controlling interests	95,215	82,548
Shareholders of United Internet AG	336,891	248,588

	2021 January - September	2020 January - September
Result per share of shareholders of United Internet AG (in €)		
basic	1.80	1.33
diluted	1.79	1.33
Weighted average of outstanding shares (in million units)		
basic	186.72	187.39
diluted	187.86	187.39
Reconciliation to total comprehensive income		
Net income	432,106	331,136
Items that may be reclassified subsequently to profit or loss		
Currency translation adjustment - unrealized	5,907	-16,572
Items that are not reclassified subsequently to profit or loss		
Market value changes of financial assets measured at fair value through other comprehensive income	591	989
Tax effect	-8	-25
Share in other comprehensive income of associated companies	0	255
Other comprehensive income	**6,490**	**-15,353**
Total comprehensive income	**438,596**	**315,784**
thereof attributable to		
non-controlling interests	96,625	78,461
Shareholders of United Internet AG	**341,971**	**237,323**

GROUP CASH FLOW

from January to September 2021 in k€

	2021 January - September	2020 January - September
Result from operating activities		
Net income	432,106	331,136
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of intangible assets and property, plant and equipment	249,118	232,498
Depreciation and amortization of assets resulting from company acquisitions	101,482	122,302
Employee expenses from employee shareholdings	16,697	9,205
Result from associated companies	9,243	11,004
Distributed profits of associated companies	229	0
Other non-cash items from tax adjustments	-16,504	-25,612
Other non-cash items	4,357	9,956
Operative cash flow	**796,728**	**690,488**
Change in assets and liabilities		
Change in receivables and other assets	-22,496	-17,444
Change in inventories	8,389	10,609
Change in contract assets	-33,206	-45,784
Change in income tax claims	29,322	4,024
Change in deferred expenses	-177,239	20,863
Change in trade accounts payable	-92,148	34,135
Change in other accrued liabilities	-476	-8,524
Change in income tax liabilities	-56,729	16,228
Change in other liabilities	82,230	15,614
Change in contract liabilities	1,554	-2,523
Change in assets and liabilities, total	**-260,799**	**27,196**
Cash flow from operating activities	**535,929**	**717,685**

	2021 January – September	2020 January – September
Cash flow from investing activities		
Capital expenditure for intangible assets and property, plant and equipment	-203,887	-356,865
Payments from disposals of intangible assets and property, plant and equipment	3,164	4,557
Payments for company acquisitions less cash received	-22,562	0
Payments from company disposals less cash sold	8,789	0
Purchase of shares in associated companies	-220,070	0
Payments in connection with company transactions	0	-1,264
Payments for loans granted	-17,315	0
Payments received from the repayment of other financial assets	0	4,354
Cash flow from investment activities	**-451,880**	**-349,218**
Cash flow from financing activities		
Purchase of treasury stock	-18,720	-12,235
Taking out / repayment of loans	512,261	-251,621
Redemption of lease liabilities	-82,136	-81,103
Dividend payments	-93,615	-93,615
Dividend payments to non-controlling interests	-2,467	-2,577
Payments to minority interests	-458,374	0
Cash flow from financing activities	**-143,050**	**-441,151**
Net increase in cash and cash equivalents	-59,002	-72,685
Cash and cash equivalents at beginning of fiscal year	131,270	117,573
Currency translation adjustments of cash and cash equivalents	3,343	-1,358
Cash and cash equivalents at end of fiscal year	**75,611**	**43,530**

GROUP CHANGES IN SHAREHOLDERS´ EQUITY

in 2021 and 2020 in k€

	Capital stock		Capital reserves	Accumulated profit	Treasury shares	
	Share	€k	€k	€k	Share	€k
Balance as of January 1, 2020	**205,000,000**	**205,000**	**2,643,946**	**1,993,860**	**17,338,513**	**-548,442**
Net income				198,924		
Other comprehensive income						
Total comprehensive income				**198,924**		
Purchase of treasury shares					430,624	-12,235
Redemption of treasury shares	-11,000,000	-11,000	-336,946		-11,000,000	347,946
Employee stock ownership program			7,352			
Dividend payments				-93,615		
Profit distributions						
Balance as of September 30, 2020	194,000,000	194,000	2,314,352	2,099,169	6,769,137	-212,730
Balance as of January 1, 2021	**194,000,000**	**194,000**	**2,322,780**	**2,240,473**	**6,769,137**	**-212,731**
Net income				336,891		
Other comprehensive income						
Total comprehensive income				**336,891**		
Purchase of treasury shares					514,972	-18,720
Employee stock ownership program			13,412			
Dividend payments				-93,615		
Profit distributions						
Transactions with shareholders			-392,037			
Other transactions				-769		
Balance as of September 30, 2021	**194,000,000**	**194,000**	**1,944,155**	**2,482,980**	**7,284,109**	**-231,451**

Revaluation reserves	Currency translation difference	Equity attributable to shareholders of United Internet AG	Non-controlling interests	Total equity
€k	€k	€k	€k	€k
25,173	**-9,558**	**4,309,977**	**304,753**	**4,614,730**
		198,924	63,193	262,117
2,055	-8,482	-6,427	-2,927	-9,354
2,055	**-8,482**	**192,497**	**60,266**	**252,763**
		-12,235		-12,235
		0		0
		7,352	3,123	10,475
		-93,615		-93,615
		0	-2,577	-2,577
27,228	-18,040	4,403,979	365,565	4,769,543
-4,372	**-21,091**	**4,519,060**	**392,151**	**4,911,210**
		336,891	95,215	432,106
583	4,497	5,080	1,410	6,490
583	**4,497**	**341,971**	**96,625**	**438,596**
		-18,720		-18,720
		13,412	3,285	16,697
		-93,615		-93,615
		0	-2,467	-2,467
		-392,037	-49,470	-441,508
769		0		0
-3,020	**-16,594**	**4,370,070**	**440,124**	**4,810,193**

SEGMENT-REPORTING

From January to September 30, 2021

m€	Consumer Access segment	Business Access segment	Consumer Applications segment	Business Applications segment	Corporate	Reconciliation	United Internet Group
January - September 2021							
Segment revenue	2,880.5	382.7	200.1	774.9	1.2	-71.5	4,167.9
- thereof domestic	2,880.5	382.7	198.3	399.7	1.2	-65.5	3,796.9
- thereof foreign	0	0	1.8	375.2	0	-6.0	371.0
Segment revenue from transactions with other segments	1.0	56.2	11.3	3.0	0		71.5
Segment revenue from contracts with customers	2,879.5	326.5	188.8	771.9	1.2		4,167.9
- thereof domestic	2,879.5	326.5	187.0	402.7	1.2		3,797.0
- thereof foreign	0	0	1.8	369.2	0		371.0
EBITDA	553.3	118.8	83.5	242.2	-4.7	1.4	994.5
EBIT	432.5	-17.5	66.6	168.1	-7.0	1.2	643.9
Financial result							-14.2
Result from associated companies							-9.2
EBT							620.5
Income taxes							-188.4
Net income							**432.1**
Investments in intangible assets, property, plant and equipment (without goodwill)	28.7	171.1	12.5	73.9	6.1		292.3
Amortization/depreciation	121.5	135.2	6.9	82.7	7.8	-3.5	350.6
- thereof intangible assets, and property, plant and equipment	50.6	125.8	6.9	61.5	7.8		249.1
- thereof assets capitalized during company acquisitions	70.9	9.4	0	21.2			101.5
Number of employees	3,170	1,241	1,005	3,968	570		9,954
- thereof domestic	3,170	1,241	1,001	2,196	570		8,178
- thereof foreign	0	0	4	1,772	0		1,776

From January to September 30, 2020

m€ January - September 2020	Consumer Access segment	Business Access segment	Consumer Applications segment	Business Applications segment	Corporate	Reconciliation	United Internet Group
Segment revenue	2,792.8	366.6	180.9	707.3	0.9	-63.8	3,984.7
- thereof domestic	2,792.8	366.6	177.7	359.8	0.9	-56.0	3,641.8
- thereof foreign	0	0	3.2	347.5	0	-7.8	342.9
Segment revenue from transactions with other segments	1.1	50.0	9.7	3.1	0		63.9
Segment revenue from contracts with customers	2,791.7	316.6	171.2	704.2	0.9		3,984.7
- thereof domestic	2,791.7	316.6	168.1	364.4	0.9	0	3,641.8
- thereof foreign	0	0	3.1	339.8	0		342.9
EBITDA	458.6	114.3	69.5	254.6	-5.4	5	896.4
EBIT	345.7	-34.6	54.4	179.0	-7.3	4	541.6
Financial result							-28.9
Result from associated companies							-11.0
EBT	257.7	-28.7	36.9	71.1	35.2	3	501.7
Income taxes							-170.6
Net income							**331.1**
Investments in intangible assets, property, plant and equipment (without goodwill)	240.5	171.7	8.3	87.6	15.4	-1	522.2
Amortization/depreciation	112.9	148.9	15.1	75.6	1.9		354.8
- thereof intangible assets, and property, plant and equipment	28.4	135.2	15.1	51.5	1.9		232.5
- thereof assets capitalized during company acquisitions	84.5	13.7	0	24.1	0		122.3
Number of employees	3,154	1,188	1,005	3,591	627		9,565
- thereof domestic	3,154	1,188	1,001	1,896	627		7,866
- thereof foreign	0	0	4	1,695	0		1,699

FINANCIAL CALENDAR

March 25, 2021	Annual financial statements for fiscal year 2020 Press and analyst conference
May 11, 2021	Quarterly Statement Q1 2021
May 27, 2021	(Virtual) Annual Shareholders' Meeting
August 5, 2021	6-Month Report 2021 Press and analyst conference
November 9, 2021	Quarterly Statement Q3 2020

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November 2021
Registry court: Montabaur HRB 5762

Note
Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

For reasons of better readability, the additional use of the female form is omitted in this annual report. United Internet would like to stress that the use of the masculine form is to be understood purely as the gender-neutral form.

This Half-year Financial Report is available in German and English. Both versions can also be downloaded from www.united-internet.de. In all cases of doubt, the German version shall prevail

Produced in-house with Firesys

Disclaimer
This Half-year Financial Report contains certain forward-looking statements which reflect the current views of United Internet AG's management with regard to future events. These forward looking statements are based on our currently valid plans, estimates and expectations. Forward-looking statements are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which United Internet often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of United Internet AG. United Internet does not intend to revise or update such forward-looking statements.

United Internet AG

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