

## AD-HOC DISCLOSURE ACC. TO ART. 17 MAR

### **United Internet AG: Improved Telefónica-offer on national roaming and MBA MVNO services for 1&1 Drillisch; EU Commission's analysis completed**

**Montabaur, 5 February 2021.** Drillisch Online GmbH, a wholly-owned subsidiary of 1&1 Drillisch AG and indirect subsidiary of United Internet, and Telefónica Germany GmbH & Co. OHG ("Telefónica") have long been in negotiations regarding the conclusion of a national roaming agreement based on the commitments of Telefónica under the merger clearance decision of the EU Commission regarding the merger with E-Plus. The EU Commission supervises the compliance of Telefónica with these commitments.

In October 2020, Telefónica made a, from Telefónica's perspective, final offer to 1&1 Drillisch on key framework conditions and prices for national roaming. The prices offered shall also apply retroactively from July 2020 to the current MBA MVNO agreement. While Telefónica has been charging consistently high advance service prices under the MBA MVNO agreement since July 2020, Telefónica's offer is based on the price mechanisms of the first five years of the MBA MVNO agreement. In particular, it provides for annually decreasing data prices that were lower than the prices currently charged under the MBA MVNO agreement.

After completion of its analysis, the EU Commission today communicated to 1&1 Drillisch its assessment that the offer submitted by Telefónica in October 2020 was not fully in line with Telefónica's commitments under the EU merger clearance decision and that the offer has to be improved by Telefónica. Thereupon, Telefónica today made an improved offer to 1&1 Drillisch. The improved offer can be accepted by 1&1 Drillisch until 19 February 2021.

1&1 Drillisch will examine whether it is in the interest of the company to accept Telefónica's new offer. Should 1&1 Drillisch decide to accept the offer, the framework conditions and prices offered by Telefónica would then have to be transferred into a national roaming agreement and the application of the new, annually decreasing prices also on MBA MVNO services would have to be regulated with retroactive effect for the period as of July 2020 from the beginning of national roaming.

The conclusion of an agreement, which Telefónica's offer expects until approx. mid of May 2021, would have a positive earnings effect of approx. EUR 30 million for 1&1 Drillisch and thus also for United Internet in the fiscal year 2020, which would be booked as an out-of-period return in the fiscal year 2021. In addition, an agreement on national roaming would constitute an essential prerequisite for 1&1 Drillisch's envisaged rollout of a high-performance 5G network.

The EU Commission's assessment, which has now been communicated, has no significance for the price adjustment procedures initiated by 1&1 Drillisch under the MBA MVNO agreement. In these procedures, 1&1 Drillisch demands from Telefónica significant retroactive reductions of the advance service prices under the MBA MVNO agreement.

**About United Internet**

With over 25 million fee-based customer contracts and around 39 million ad-financed free accounts, United Internet AG is a leading European internet specialist. At the heart of United Internet is a high-performance "Internet Factory" with approx. 9,550 employees, of which around 3,000 are engaged in product management, development, and data centers. In addition to the high sales strength of its established brands (such as 1&1, GMX, WEB.DE, IONOS, STRATO, 1&1 Versatel, and the brands of Drillisch Online), United Internet stands for outstanding operational excellence with over 64 million customer accounts worldwide.

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**Note**

In the interests of clear and transparent reporting, the annual financial statements and interim statements of United Internet AG, as well as its ad-hoc announcements pursuant to Art. 17 MAR, contain additional financial performance indicators to those required under International Financial Reporting Standards (IFRS), such as EBITDA, EBITDA margin, EBIT, EBIT margin, and free cash flow. Information on the use, definition and calculation of these performance measures is provided in the Annual Report 2019 of United Internet AG from page 49 onwards.