

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

### **United Internet supports the implementation of Tele Columbus's Fiber Champion strategy and welcomes the takeover offer of Morgan Stanley Infrastructure Partners**

- **Voluntary public takeover offer for Tele Columbus by bidding company of Morgan Stanley Infrastructure Partners**
- **On success of takeover offer – United Internet to contribute minority stake in Tele Columbus to bidding company and to acquire a minority interest in bidding company**
- **Preliminary wholesale agreement for broadband lines signed with 1&1 Drillisch**

**Montabaur, December 21, 2020.** As an anchor shareholder in Tele Columbus AG, United Internet AG has announced that, together with Morgan Stanley Infrastructure Partners, it will provide sustained support for the implementation of Tele Columbus's Fiber Champion strategy. With this strategy, Tele Columbus plans to play a major role in driving the expansion of Germany's fiber infrastructure. At present, 2.4 million households are connected to the broadband network of Tele Columbus; by 2030, around 2.0 million of these households are to be supplied with gigabit bandwidths via fiber optic networks.

To this end, Tele Columbus AG has gained Morgan Stanley Infrastructure Partners as an infrastructure investor with a long-term perspective. UNA 422. Equity Management GmbH, a bidding company which will trade in future as Kublai GmbH and behind which is Morgan Stanley Infrastructure Partners, today announced a voluntary public takeover offer of EUR 3.25 per Tele Columbus share.

If the takeover offer is successful, United Internet will contribute its stake in Tele Columbus of around 29.9 percent to the bidding company. In return, United Internet will receive a shareholding in the bidding company. In addition, the bidding company has committed to subscribe for new shares worth up to EUR 475 million in the event of a rights offering to be adopted by Tele Columbus. On conclusion of the takeover offer, United Internet will participate in the capital increase with an amount in the range of EUR 142 to EUR 190 million. Following successful completion of the transaction, United Internet can increase its stake in the bidding company at its own discretion so that it has an indirect shareholding in Tele Columbus of between 29.9% and 40%.

Moreover, the bidding company has announced that it is prepared to provide further equity of up to EUR 75 million in the future for the implementation of the Fiber Champion strategy. United Internet will also participate on a pro rata basis. Part of Tele Columbus's Fiber Champion strategy is also to open up its broadband network for cooperation partners. In the wake of this move, 1&1 Drillisch AG – a member of the United Internet Group – 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. The preliminary agreement is subject to the successful conclusion of the takeover offer.

United Internet's participation in the bidding company is subject to conclusion of the takeover offer, which in turn depends on various conditions, including approval by the relevant supervisory authorities.

#### **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.

#### **Contact partner**

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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.