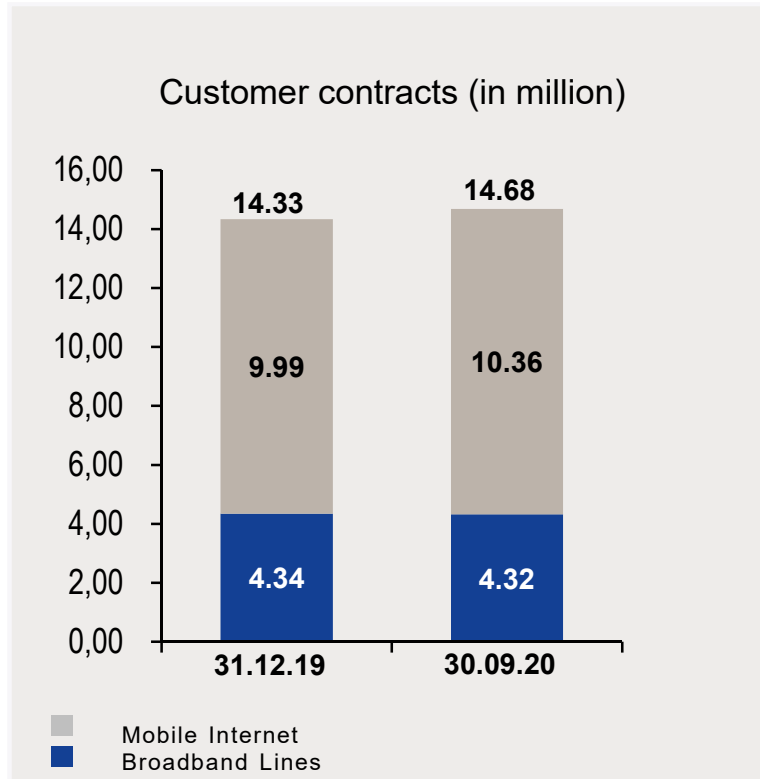




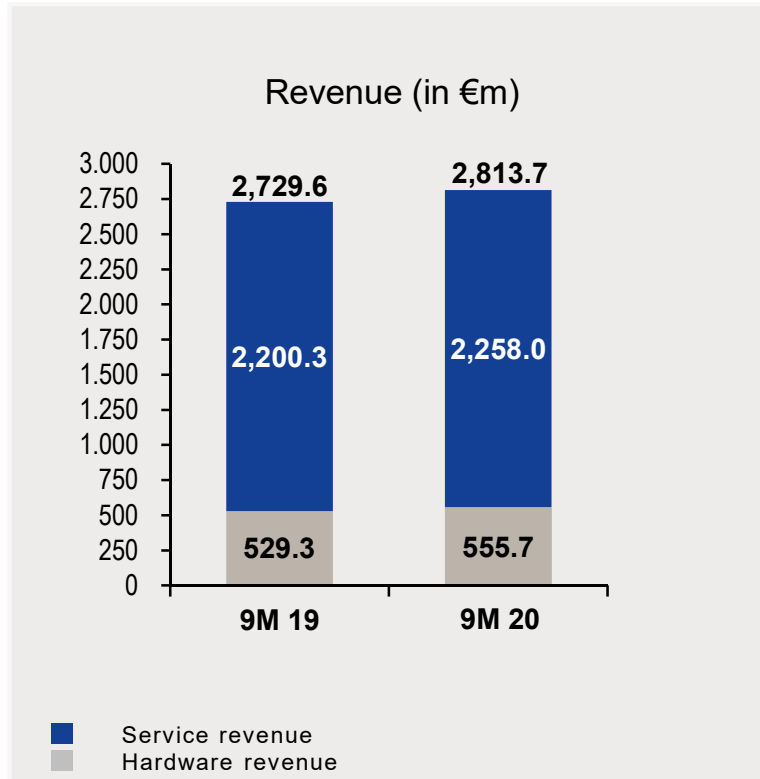
Presentation 9M 2020 and Outlook

- Business Development
- Outlook 2020

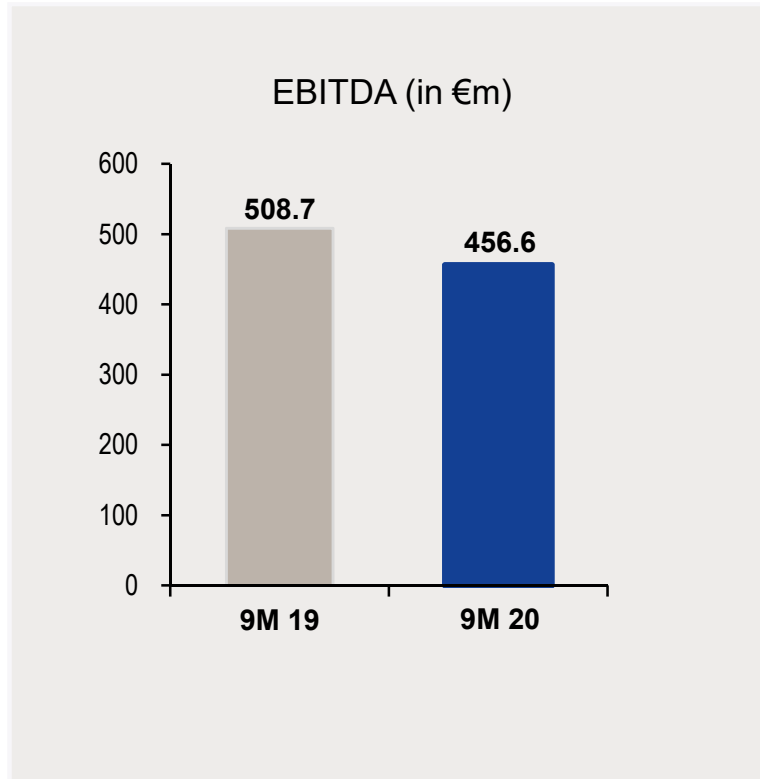
Business Development



- 14.68m customer contracts (+ 0.35m)
 - 10.36m mobile internet (+ 0.37m)
 - 4.32m broadband lines (ADSL / VDSL / FTTH) (- 0.02m)



- + 3.1 % Revenue to €2,813.7m
 - + 2.6 % Service revenue to €2,258.0m
(+ 3.4 % adjusted for coronavirus effects, especially due to lower international roaming)
 - + 5.0 % Other revenue, especially low-margin hardware business



- – 10.2 % EBITDA to €456.6m
- 16.2 % EBITDA margin (prev. year: 18.6 %)
- EBITDA includes:
 - – €8.4m initial costs for 5G wireless network (previous year: – €2.5m)
 - – €17.7m one-offs from changed usage behaviour because of coronavirus-pandemic
 - – €8.2m regulation „subscriber line price increase“ (07/19) (previous year: €0.0m)
 - – €5.5m regulation „text message costs EU“ (05/19) (previous year: – €1.0m)
 - – €0.7m one-offs from integrations projects (previous year: - €3.8m)
 - – €35,4m from 1&1 Drillisch perspective excessive billing MBA MVNO contract

➔ +3.2 % EBITDA adjusted for aforementioned effects

Earnings situation

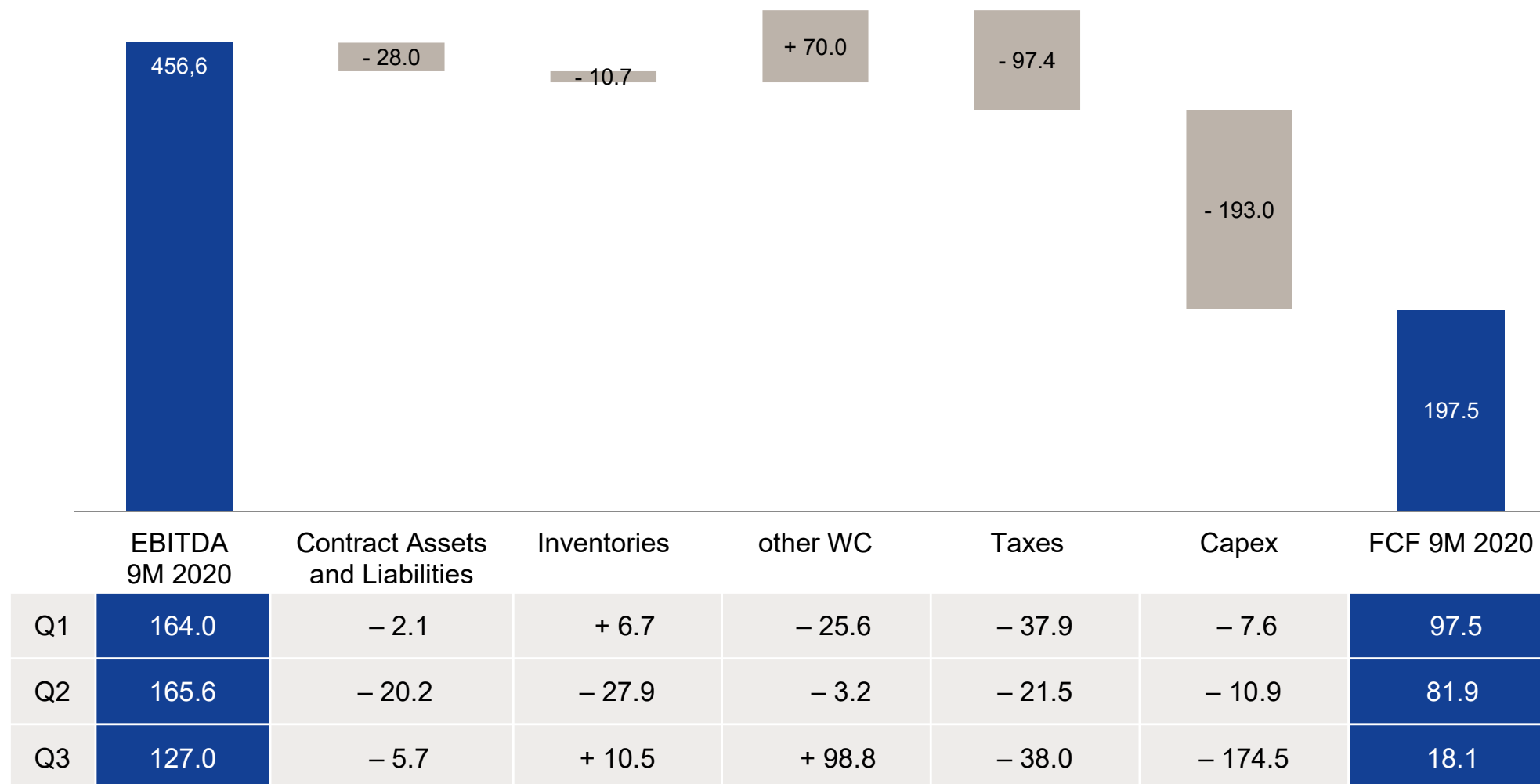
(in €m)	9M 2019	9M 2020	Change
Revenue	2,729.6	2,813.7	+ 3.1 %
Cost of Sales	- 1,915.5	- 2,029.0	+ 5.9 %
Gross Profit from Revenues	814.1	784.7	- 3.6 %
Distribution costs	- 322.2	- 331.0	+ 2.7 %
Administration costs	- 64.9	- 73.3	+ 12.8 %
Other operating income/expenses	22.6	16.5	- 27.2 %
Impairment losses from receivables and contract assets	- 58.3	- 55.8	- 4.3 %
Results from Operating Activities	391.3	341.1	- 12.8 %
Financial Results	- 8.1	- 0.1	- 97.5 %
Profit before Taxes	383.2	341.0	- 11.0 %
Tax expenses	- 115.5	- 100.7	- 12.8 %
Consolidated Profit	267.7	240.3	- 10.2 %

Cash flow

(in €m)	9M 2019	9M 2020	Change	Comments
Net inflow of funds from operating activities	227.5	390.5	+ 71.7 %	<ul style="list-style-type: none"> ▪ €347.8m Cash flow from operating activities ▪ + €69.7m from the change in trade accounts payables ▪ – €32.0m from the change in receivables from and liabilities to related parties ▪ – €28.0m from the change in contract assets and contract liabilities ▪ + €24.8m from the change in deferred expenditures ▪ + €10.7m decrease of inventories ▪ – €2.5m other
Cash flow from investment activities	– 171.8	– 400.2		<ul style="list-style-type: none"> ▪ – €193.0m Capex (incl. €165.0m initial payment for 5-years prolongation of the MBA MVNO contract) ▪ – €207.0m Investment of free cash at UTDI
Cash flow from financing activities	– 54.3	– 17.2	– 68.4 %	<ul style="list-style-type: none"> ▪ – €8.8m Dividends paid ▪ – €8.3m Repayment of financial liabilities
Free cash flow ⁽¹⁾	218.9	197.5	– 9.8 %	

(1) Definition of free cash flow: free cash flow is calculated as the net payments from operating activities in continued operations (items disclosed in the capital flow statement) less investments in intangible and tangible assets plus payments from the disposal of intangible and tangible assets.

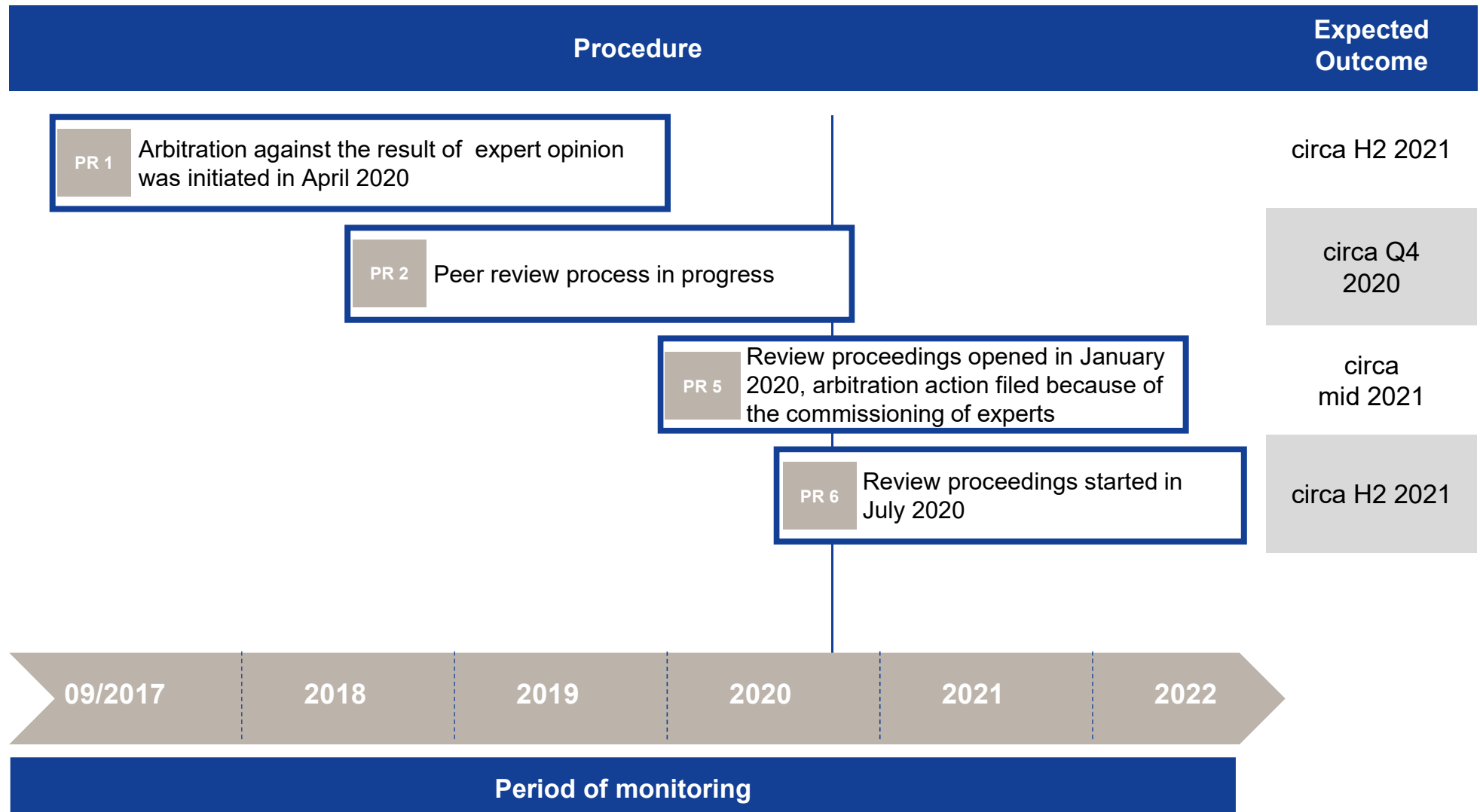
Bridge EBITDA to FCF



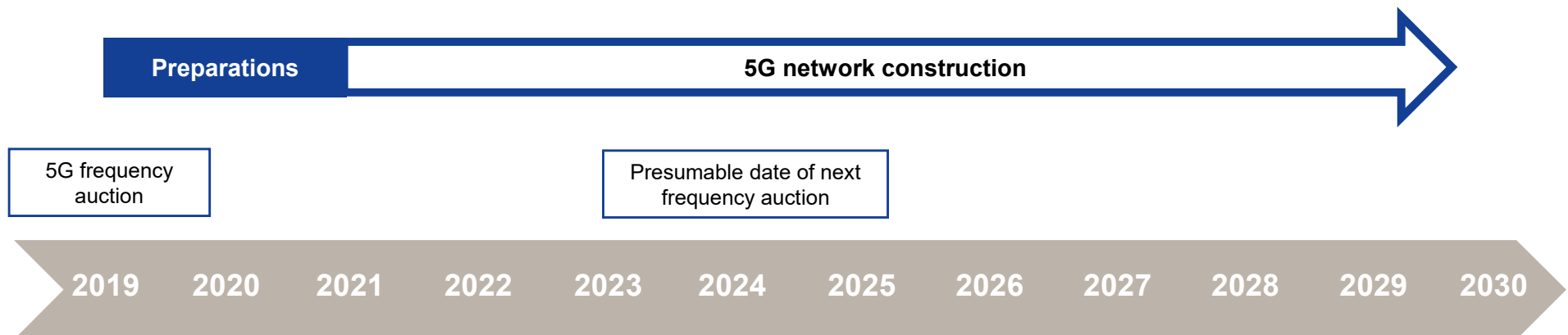
Key figures for 9M 2020

	9M 2019	9M 2020	Change
Customer contracts	14.12m	14.68m	+ 0.56m
of which Mobile Internet	9.78m	10.36m	+ 0.58m
of which broadband (ADSL, VDSL, FTTH)	4.34m	4.32m	- 0.02m
Revenue	€2,729.6m	€2,813.7m	+ 3.1 %
of which service revenue	€2,200.3m	€2,258.0m	+ 2.6 %
Comparable service revenues without effects of coronavirus pandemic	€2,200.3m	€2,274.4m	+ 3.4 %
EBITDA	€508.7m	€456.6m	- 10.2 %
Comparable EBITDA (excluding) ¹	€516.0m	€532.5m	+ 3.2 %

(1) Initial costs 5G (9M 2020: - €8.4m, 9M 2019: - €2.5m), regulation „subscriber line increases“ (9M 2020: - €8.2m, 9M 2019: €0.0m), regulation „text message costs“ EU (9M 2020: - €5.5m, 9M 2019: - €1.0m), One-Offs from integration projects (9M 2020: - €0.7m, 9M 2019: - €3.8m), Increased usage behaviour through Coronavirus pandemic, mainly NON-EU Roaming (9M 2020: - €17.7m, 9M 2019: €0.0m, from a 1&1 Drillisch perspective overcharged billing MBA MVNO contract (9M 2020: - €35.4m, 9M 2019: €0.0m)



- Purchase/Rent of frequencies ✓
- Negotiations regarding national roaming and infrastructure sharing ongoing
- Cooperation discussions with wireless network suppliers ongoing
- Expansion of 1&1 Versatel fibre optic network ongoing



- Telefónica
 - National roaming obligation based on the MBA MVNO contract and Telefónica's voluntary commitments to E-Plus merger approval
 - Negotiations on this since 11/2018
 - Prices equal to MBA MVNO-pricing
 - Prices offered for contract renewal from 07/2020 lead to significant additional expenses for 20 % of Telefónica network capacity (vs. basic term) and are not in line with the market in 1&1 Drillisch's view
 - 1&1 Drillisch considers this a breach of the MBA MVNO contract and the commitments
 - However the prices offered are more favourable, than MBA MVNO prices billed since 07/2020

- Telekom/Vodafone
 - From 1&1 Drillisch point of view, until now, no competitive offer
 - BNetzA requested as referee, as foreseen in 5G frequency conditions

Outlook 2020

- Approx. 500,000 new customer contracts
- Total revenue: approx. 3 percent up on previous year
(after + 0 % at the beginning of the year and approx. + 4 % in August)
- Service revenue: approx. 2.5 percent up on previous year
(after + 0 % at the beginning of the year and 2 to 3 % in August)
- EBITDA: approx. €600 million

This forecast is still subject to uncertainties as a precise assessment of the duration and further effects of the coronavirus pandemic and the outcome of the ongoing negotiations is currently not possible.



Presentation 9M 2020 and Outlook

This presentation contains future-oriented statements and forecasts representing the current assessments of the management at 1&1 Drillisch AG.

These assessments and statements are subject to changes and uncertain framework conditions that are for the most part difficult to predict and are beyond the control of 1&1 Drillisch AG.

1&1 Drillisch AG is not under any obligation to publish any information resulting in changes in framework conditions or to publish revised information.

1&1 Drillisch AG

Investor Relations

Wilhelm-Röntgen-Strasse 1-5

D-63477 Maintal

Contact

Phone: +49 61 81 / 412 218

Internet: www.1und1-drillisch.de

Email: ir@1und1-drillisch.de