

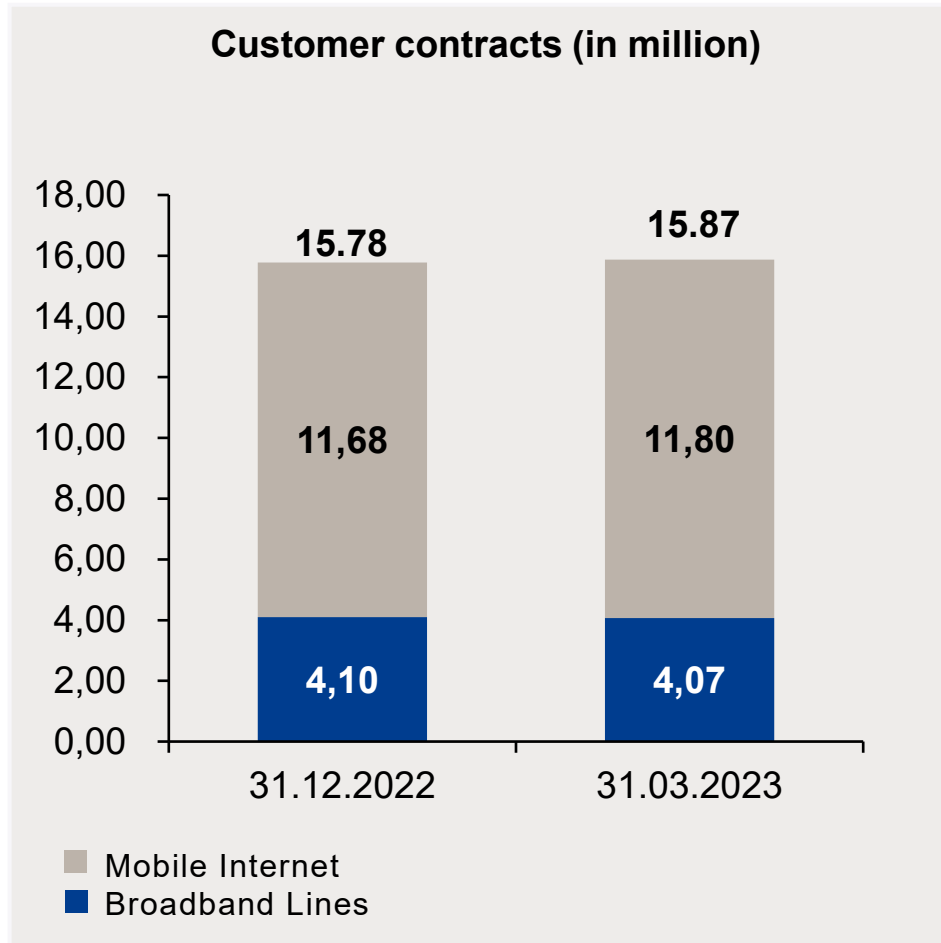


Q1 and outlook 2023

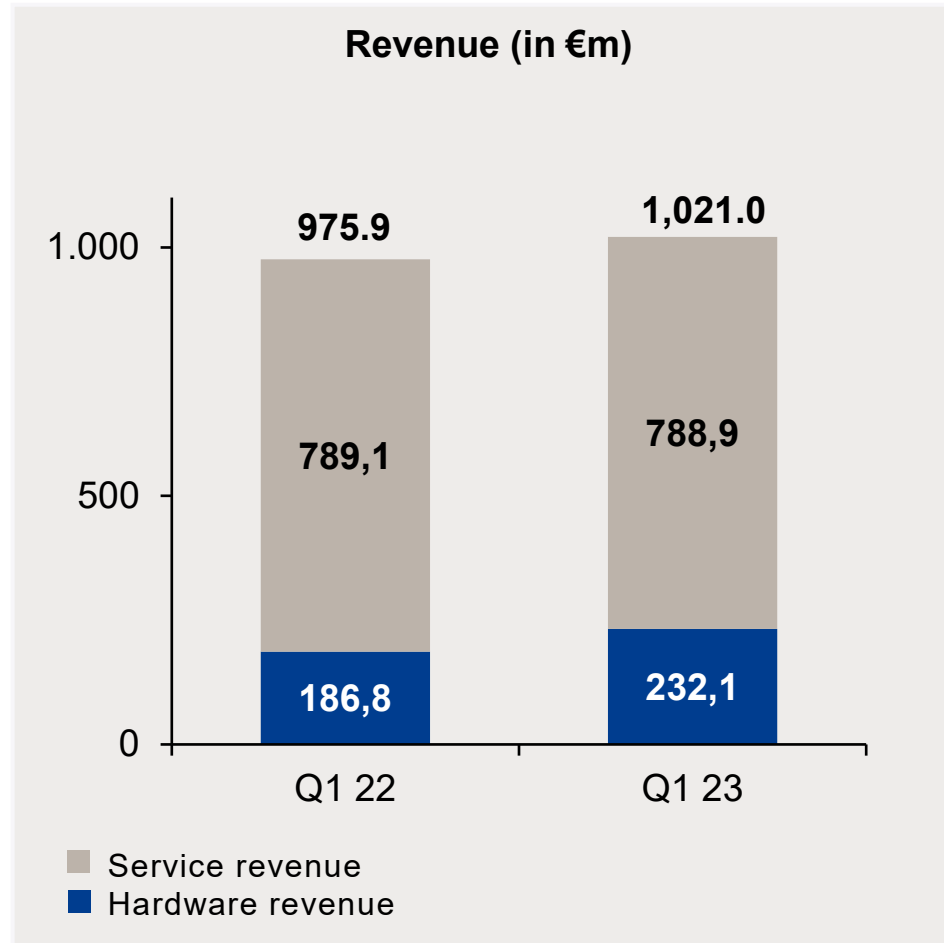
Markus Huhn

- Company development Q1 2023
- Status 1&1 mobile network and next steps
- Financial key figures Q1 2023
- Forecast 2023

Company development Q1 2023

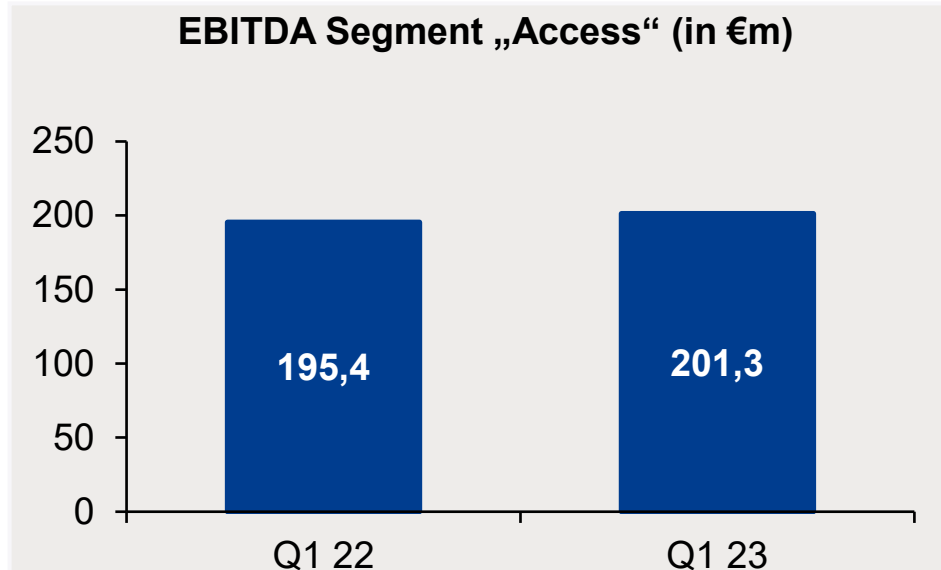


- 15.87m customer contracts (+ 0.09m)
 - 11.80m mobile internet (+ 0.12m)
 - 4.07m broadband lines (- 0.03m)
- Migration from ADSL to VDSL underway since January 2023 until H2-2024



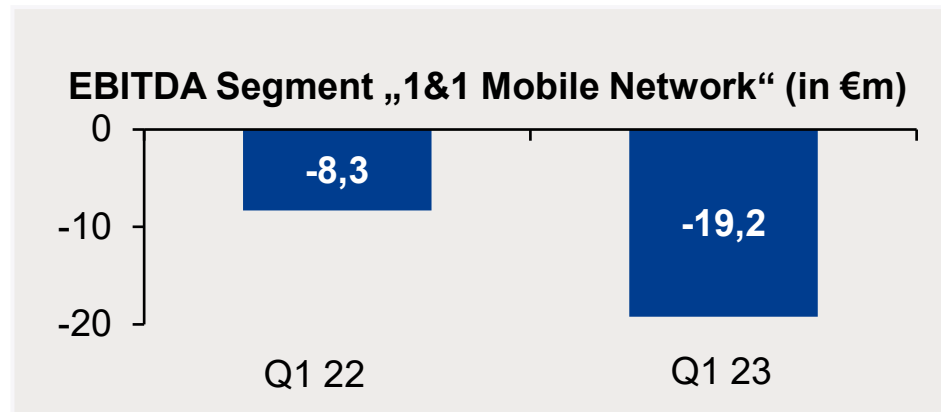
- €1,021.0m revenue (+ 4.6 %)
- €788.9m service revenue
- €232.1m other revenue (+ 24.3 %)
especially smartphones

EBITDA by segments



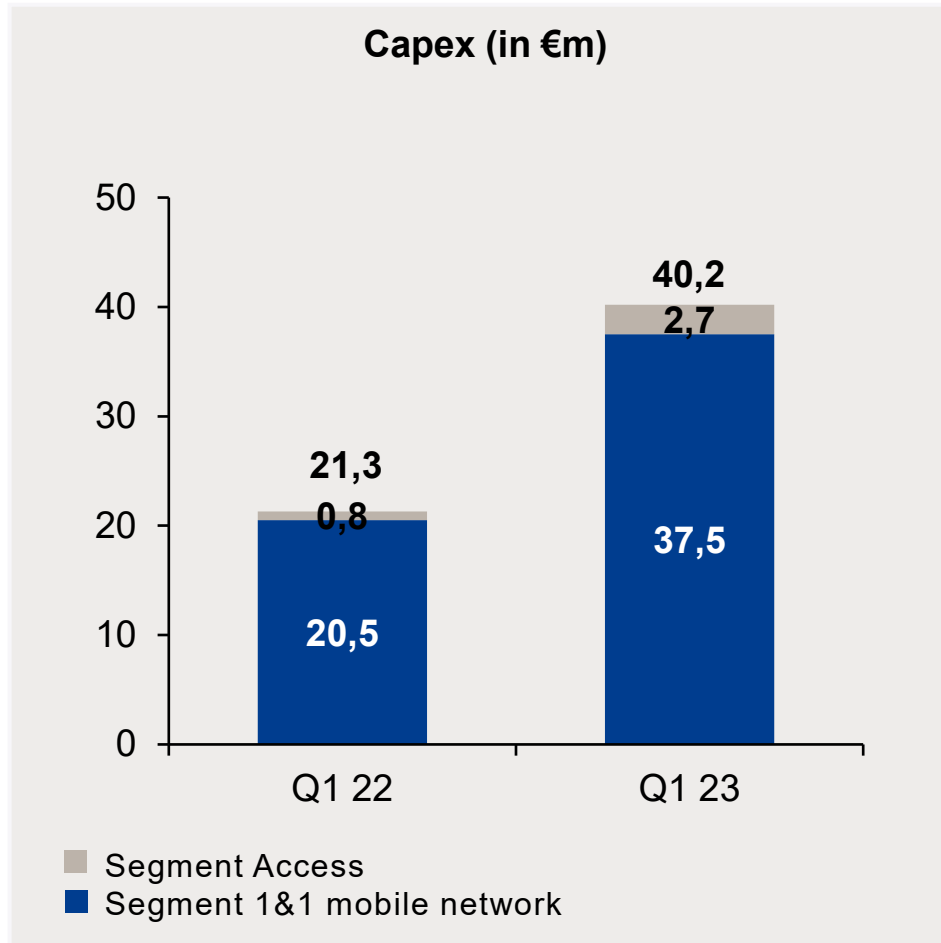
Segment „Access“

- €201.3m operating EBITDA (+ 3.0 %)



Segment „1&1 Mobile Network“

- - €19.2m EBITDA (Start-up costs for the construction of the 1&1 mobile network)



- €40.2m Capex
 - €2.7m segment „Access“
 - €37.5m segment „1&1 Mobile Network“ for rollout (computers, software etc.)

1&1 Mobile Network

Network operation – as of 31.03.2023 (I)

Virtualised OpenRAN, without products from Chinese suppliers

- FWA (Fixed Wireless Access) as an alternative to fixed network connections since 28.12.2022
- 2 (of 4) core data centres
- 19 (of 24) decentralised EDGE data centres
- 64 (of approx. 550) regional Far EDGE data centres
- 94 antenna sites taken over, of which 14 are in operation

Ongoing functional testing

- National Roaming (Telefónica)
- International Roaming (Orange)
- eMBB operation (Enhanced Mobile BroadBand)
- Tests and certifications by renowned terminal manufacturers

Network operation – as of 31.03.2023 (II)

Key points of EBIT financial planning confirmed by network operations since December 2022

- Following customer migration 2024/2025
 - The costs of network operation (excluding antenna sites) will be financed by savings on voice traffic and international roaming
- Following acquisition of low-band frequencies at the beginning of 2026
 - Operation costs of an antenna site are largely covered by savings on national roaming, fully from the end of the second expansion stage (50% household coverage)

Wireless spectrum

- Spectrum costs are to be refinanced through new business areas (FWA, branded reselling, B2B tariffs, etc.).

Antenna locations

New forecasts for 2023

- Ca. 1,200 sites (passive infrastructure) until end of 2023
- February 2023: Delays during the year indicated by expansion partners – deliveries now mainly in Q3/23 and Q4/23
(Complete commissioning will probably not be possible in 2023)

Outlook

- If ramp-up is as planned, approx. 3,000 antenna sites will be provided annually from 2024 onwards

Next planning steps unchanged

Q2 2023

- Connection to international telecommunications network
- Test phase national roaming

Q3 2023

- Operational start of the 3rd and 4th core data centre
- National roaming operational – nationwide marketing start of smartphone tariffs from September 2023
- Discontinuation of MVNO sales

Q4 2023

- Start of the migration of existing customers

Financials Q1 2023

Earnings

(in €m)	Q1 22	Q1 23	Change
Revenue	975.9	1,021.0	+ 4.6 %
Cost of Sales ⁽¹⁾	- 661.9	- 712.5	+ 7.6 %
<i>thereof start-up costs and depreciation 1&1 mobile network</i>	-5.1	- 25.9	
Gross profits from turnover	314.0	308.5	- 1.8 %
Distribution costs	- 120.7	- 126.2	+ 4.6 %
Administration costs ⁽²⁾	- 28.4	- 28.2	- 0.7 %
<i>thereof start-up costs 1&1 mobile network</i>	- 3.5	- 4.1	
Other operating income/expenses	5.6	6.1	+ 8.9 %
Impairment losses from receivables and contract Assets	- 23.7	- 26.8	+ 13.1 %
Profit/loss from operating activities	146.8	133.4	- 9.1 %
Financial result	- 1.6	1.4	
Profit before taxes	145.2	134.8	- 7.2 %
Tax expense	- 43.6	- 40.8	- 6.4 %
Consolidated result	101.6	94.0	- 7.5 %

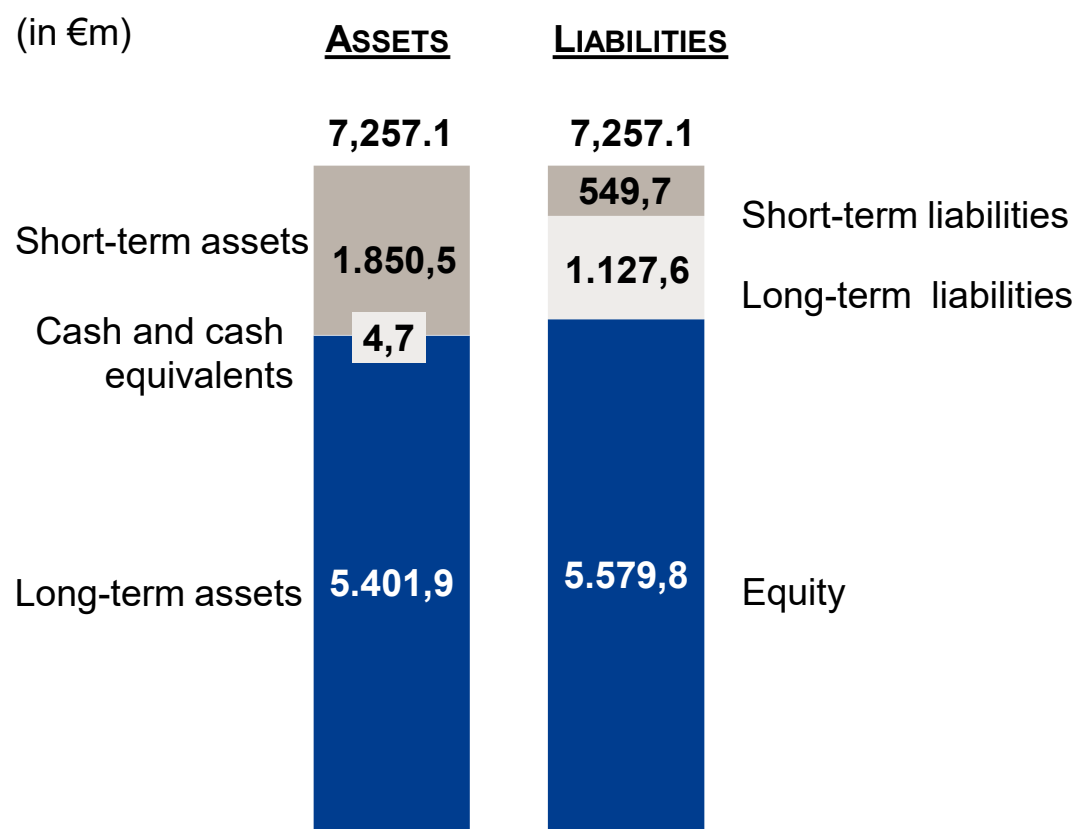
(1) Incl. - €25.9 million in expenses for the construction of the 1&1 mobile network (previous year: - €5.1 million) thereof €11.1 million depreciation(previous year: €0).

(2) Incl. - €4.1 million in expenses for the construction of the 1&1 mobile network (previous year: - €3.5 million).

Balance sheet

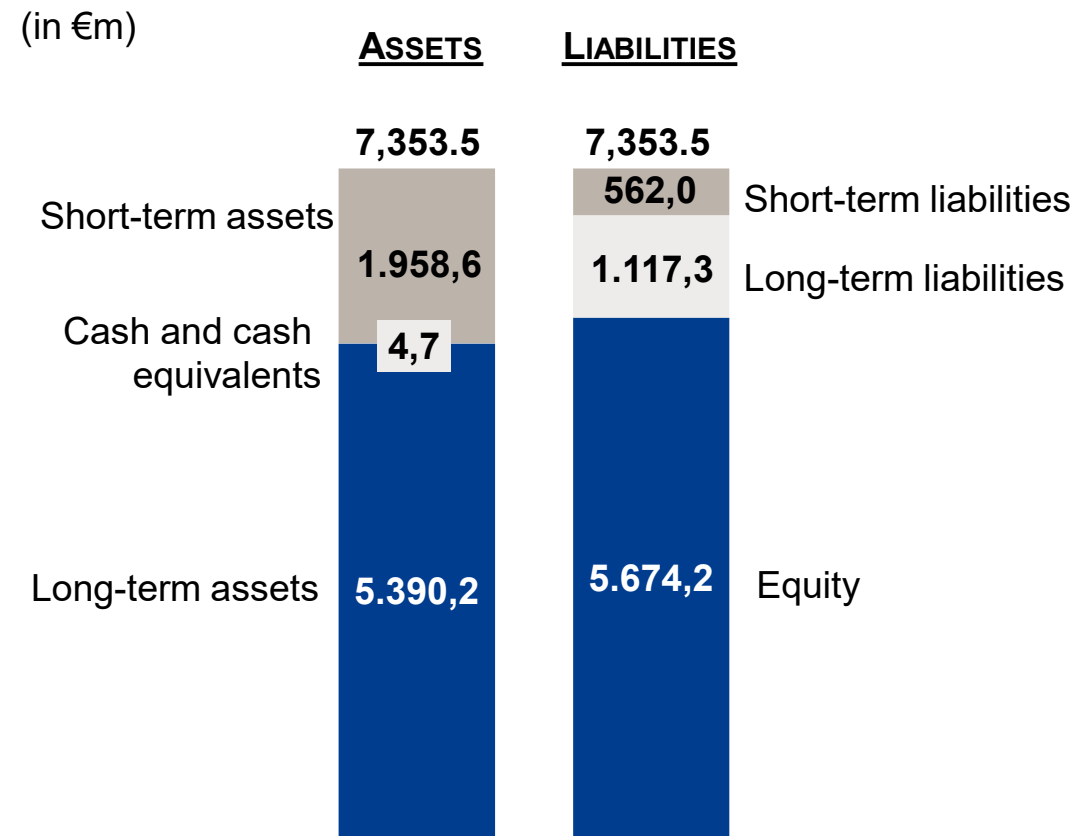


December 31 2022



Equity ratio 76.9 %

31 March 2023

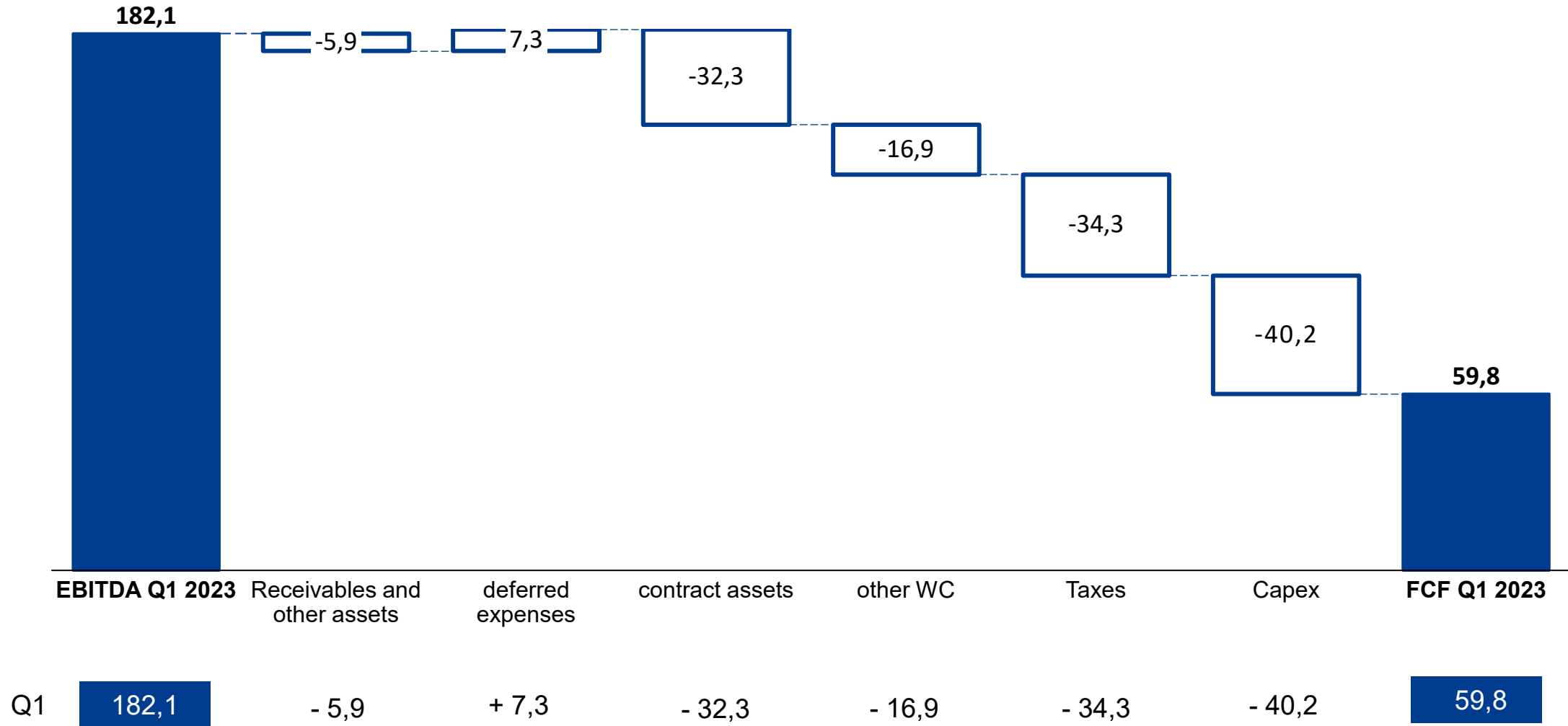


Equity ratio 77.2 %

(in €m)	Q1 22	Q1 23	Change	Comments
Net inflow of funds from operating activities	83.9	100.0	+ 19.2 %	<ul style="list-style-type: none"> ▪ €133.2m Cash flow from operating activities ▪ - €31.3m Change in contract assets and contract liabilities ▪ - €1.2m Change in receivables from and liabilities to related companies ▪ + €16.4m Increase in income tax liabilities ▪ - €9.6m from the change in (L&L) receivables and liabilities and in other assets and liabilities ▪ + €7.3m Change in accrued expenses ▪ - €14.8m Increase of inventories
Cash flow from investment activities	- 77.4	- 95.3	- 23.1 %	<ul style="list-style-type: none"> ▪ - €40.2m Capex ▪ - €55.0m Investment of free cash with UTDI
Cash flow from financing activities	- 4.4	- 4.7	- 6.8 %	<ul style="list-style-type: none"> ▪ - €4.7m Repayment of lease liabilities
Free cash flow ⁽¹⁾	62.6	59.8		

(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 (in €m)



Forecast 2023

Prognose 2023 confirmed

- Service revenue ca. + 2 % to ca. €3.23 billion (2022: €3.175 billion)
- EBITDA ca. €655 million (2022: €693.3 million)
 - Segment Access ca. + 4 % to ca. €775 million (2022: €745.7 million)
 - Segment 1&1 Mobile Network to ca. - €120 million start-up costs (2022: - €52.4 million)
- Ca. + 500,000 new subscribers (2022: + 350,000 new subscribers, incl. TKG impact)
- Ca. €320 million cash-capex (2022: €250 million) particularly for the mobile network build (antennas, computers, software etc.)

Our success story
continues!

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

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

1&1 AG

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