

1&1 Drillisch AG — a Successful First Half of 2020

- Customer contracts: +240,000 to 14.57 million
- Revenues: +4.1 % to €1,881.2 million
- Service revenues: +3.1 % to €1,497.0 million
- EBITDA: €329.6 million compared to €340.4 million in the previous year; comparable EBITDA: +4.0 %
- Earnings per share (EPS): +3.5 % to €1.05
- Outlook 2020: ca. + 4 % revenue (+2 % - 3 % service revenue), EBITDA at around last year's level

Maintal, 13 August 2020 — In comparison with 31 December 2019, 1&1 Drillisch AG (ISIN DE 0005545503) was able to increase the number of customer contracts across all customer groups by 240,000 to 14.57 million contracts in the first half of 2020. It was possible to acquire 250,000 mobile internet contracts, raising the number of contracts to 10.24 million. Broadband lines declined slightly by 10,000 DSL contracts to 4.33 million. In comparison with 30 June 2019, the number of customer contracts increased by a total of 650,000 (4.7 percent).

Revenues rose by 4.1 percent to €1,881.2 million in HY1 2020 (HY1 2019: €1,806.3 million). The high-margin service revenues increased by 3.1 percent to €1,497.0 million (HY1 2019: €1,451.8 million). This figure takes into account negative revenue effects of €-4.6 million (in particular the lack of international roaming revenues) that are a consequence of the coronavirus pandemic and the temporary restrictions on our customers' travel opportunities. Precluding this negative effect, service revenues would have increased by 3.4 percent.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) in HY1 2020 at €329.6 million remained lower than in the previous year (HY1 2019: €340.4 million). This decline resulted above all from regulatory effects in the form of the subscriber line price increases (since 1 July 2019) of about €-8.2 million and the increased expenses from the EU regulatory decision regarding text messages costs (since 15 May 2019) of about €-5.5 million (HY1 2019: €-1.0 million). Costs in the amount of €-5.6 million (HY1 2019: €-1.9 million) were incurred for the planning and preparation of our 5G wireless network. In addition, earnings were reduced by around €-10.2 million because of the temporary change in use behaviours of our customers as a consequence of the coronavirus pandemic. Precluding all of aforementioned effects, comparable EBITDA would have grown by 4.0 percent.

Free cash flow increased significantly by €117.3 million from €62.1 million in the previous year to €179.4 million in HY1 2020. At this time, 1&1 Drillisch has at its disposal about €406 million in freely available cash.

Outlook

The Company expects further customer growth for the year 2020 as a whole. As announced in the ad hoc disclosure on August 11, 2020, the company expects sales growth of approximately 4 percent from previous year EUR 3,674.9 million (service revenues: +2 - 3 percent, previous year EUR 2,943.0 million) for the full year 2020. EBITDA is still expected on a par with the previous year (EUR 683.5 million). This forecast is subject to uncertainties as an exact assessment of the duration and further impact of the coronavirus pandemic is not currently possible.

Performance indicators pursuant to IFRS — comparison HY1 2020 vs. HY1 2019

| in €m | HY1 2020 | HY1 2019 | Change in % |
|--|----------|----------|-------------|
| Revenue | 1,881.2 | 1,806.3 | +4.1% |
| - thereof service revenues | 1,497.0 | 1,451.8 | +3.1% |
| EBITDA | 329.6 | 340.4 | -3.2% |
| EBIT without PPA write-offs | 309.7 | 318.3 | -2.7% |
| EBIT | 254.1 | 261.1 | -2.7% |
| Profit per share in € excluding PPA write-offs | 1.27 | 1.24 | +2.4% |
| Profit per share in € | 1.05 | 1.01 | +3.5% |
| | | | |
| Customer contracts in current product lines (millions) | 14.57 | 13.92 | +4.7% |
| of which mobile internet | 10.24 | 9.58 | +6.9% |
| of which broadband lines (VDSL, ADSL, FTTH) | 4.33 | 4.34 | -0.2% |

The semi-annual report will be made available on the Company's home page on 13 August 2020.

<https://www.1und1-drillisch.de/investor-relations/reports>

Maintal, 13 August 2020

1&1 Drillisch AG
The Management Board

Note:

Financial performance indicators such as EBITDA, EBITDA margin, EBIT, EBIT margin or free cash flow are used in addition to the disclosures required by the International Financial Reporting Standards (IFRS) in the annual and interim financial statements of 1&1 Drillisch AG and in ad hoc reports pursuant to Art. 17 MAR to ensure a clear and transparent presentation of 1&1 Drillisch's business development. Information about the use, definition and calculation of these performance indicators is available on page 37 of the Annual Report 2019 of 1&1 Drillisch AG.

Disclaimer: This report contains statements regarding the future which are based on the current assumptions and projections of the 1&1 Drillisch AG management. Various risks, uncertainties and other factors, both known and unknown, can cause actual developments, especially in the results, financial position, and the business of our Company, to deviate substantially from the projections about the future as they are shown here. The Company does not undertake any obligation to update such future-oriented statements and to adapt them to future events or developments.