

PRESS RELEASE

Expert intends to declare price increase by Telefónica to be unjustified

Maintal, 27 May 2020. Today, 1&1 Drillisch has received the draft expert opinion in the proceedings to review a price increase implemented by Telefónica. Telefónica had increased the advance service prices under the MBA MVNO agreement in December 2018 retroactively by around EUR 64 million with reference to the 2015 frequency auction.

1&1 Drillisch has rejected this price increase as unjustified. In his draft expert opinion, the expert has now announced that the price increase is entirely unjustified. Accordingly, the price increase is without effect and does not result in any payments by 1&1 Drillisch.

The parties may comment on the draft expert opinion. The final expert opinion is expected by the middle of the year. This will conclude these proceedings and no expert proceedings initiated by Telefónica will be pending anymore.

With regard to the MBA MVNO agreement, the Price Reviews 2 and 5 which were initiated by 1&1 Drillisch and the request for arbitration against the result of Price Review 1 are still ongoing. In these proceedings, 1&1 Drillisch is seeking substantial retroactive price reductions. Price increases are excluded.

About 1&1 Drillisch

1&1 Drillisch AG is a listed telecommunications provider based in Maintal. The company belongs to the United Internet AG group and is one of the largest telecommunications providers with more than 14 million customer contracts. As the only virtual network operator in Germany 1&1 Drillisch has secure long-term access to the Telefónica network via an MBA MVNO contract. 1&1 Drillisch offers its customers a comprehensive portfolio of services and products in the areas of broadband and mobile communications. In addition to pure mobile communications and DSL products, customers also receive attractive bundled products from mobile communications and fixed networks, supplemented by applications such as home networking, online storage, video-on-demand and IPTV TV. With its diversely positioned brands, 1&1 Drillisch has a strong marketing approach that addresses the market comprehensively and target-group specifically: While 1&1 covers the premium segment, the online brands under the umbrella of Drillisch Online GmbH such as smartmobil.de, yourfone, winSIM, DeutschlandSIM or simply appeal to a price-conscious target group.