Tele Columbus AG

Quarterly release for the quarter ended 31 March 2019

CONSOLIDATED INTERIM REPORT

I. Consolidated Income Statement

KEUR	Notes	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Revenue	D.1	120,140	123,431
Own work capitalised		5,010	4,278
Other income	D.2	3,814	7,978
Total operating income		*128,964*	*135,687*
Cost of materials		-42,201	-38,539
Employee benefits		-19,998	-22,987
Other expenses	D.3	-19,283	-19,697
EBITDA		**47,482**	**54,464**
Depreciation and amortisation		-41,182	-33,028
EBIT		**6,300**	**21,436**
Interest income and similar income	D.4	91	2,357
Interest expense and similar expense	D.4	-15,601	-12,745
Other financial income (+) / loss (-)	D.5	-424	324
Profit (+) / Loss (-) before tax		*-9,634*	*11,372*
Income taxes		-412	-1,034
Net loss / Net income		**-10,046**	**10,338**
attributable to shareholders of Tele Columbus AG		-10,692	9,573
attributable to non-controlling interests		646	765
Undiluted earnings per share in EUR		-0.08	0.08
Diluted earnings per share in EUR		-0.08	0.08

II. Consolidated Statement of Comprehensive Income

KEUR	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Net loss / Net income	*-10,046*	*10,338*
Other comprehensive income		
Expenses an income that will not be reclassified to profit or loss		
Remeasurement of gains (+)/ losses (-) on defined benefit plans (after deferred of taxes)	-416	2,931
Total comprehensive income	**-10,462**	**13,269**
of which attributable to:		
Shareholders of Tele Columbus AG	-11,108	12,504
Non-controlling interests	646	765

III. Consolidated Statement of Financial Position

Assets

KEUR	Notes	31 March 2019	31 December 2018
Non-current assets			
Property, plant, and equipment	D.6	664,984	639,440
Intangible assets	D.6	1,258,099	1,258,734
Investments accounted for using the equity method		414	411
Trade and other receivables	D.7	20	20
Other financial receivables		664	660
Accruals and deferrals		2,561	2,780
Deferred tax assets		1,428	1,593
Derivative financial instruments		1,204	1,283
		1,929,374	**1,904,921**
Current assets			
Inventories		8,607	8,615
Trade and other receivables	D.7	66,754	56,209
Receivables due from related parties		6	6
Other financial receivables		1,952	1,940
Other assets	D.7	20,671	19,421
Current tax assets		4,127	4,712
Cash and cash equivalents		31,043	26,288
Accruals and deferrals		5,304	3,419
Assets held for sale		18	249
		138,482	**120,859**
Total assets		**2,067,856**	**2,025,780**

Equity and liabilities

KEUR	Notes	31 March 2019	31 December 2018
Equity			
Share Capital		127,556	127,556
Capital reserve		620,838	620,838
Other components of equity		-413,313	-402,419
Equity attributable to shareholders of Tele Columbus AG		*335,082*	*345,976*
Non-controlling interests		9,583	8,692
		344,665	**354,668**
Non-current liabilities			
Pensions and other long-term employee benefits		9,990	9,496
Other provisions	D.8	2,721	2,721
Liabilities to banks and from the bond issuance	D.9	1,401,752	1,400,814
Trade and other payables	D.10	120	120
Other financial liabilities	D.10	75,464	57,974
Deferred revenue		4,407	4,452
Deferred tax liabilities		29,376	33,249
Derivative financial instruments		4,690	3,840
		1,528,520	**1,512,666**
Current liabilities			
Other provisions		9,478	9,527
Liabilities to banks and from the bond issuance	D.9	15,724	15,059
Trade and other payables	D.10	98,500	76,383
Payables due to related parties		601	734
Other liabilities	D.10	17,950	24,834
Other financial liabilities	D.10	23,163	18,469
Income tax liabilities		12,931	10,510
Deferred revenue	D.10	16,324	2,931
		194,671	**158,447**
Total equity and liabilities		**2,067,856**	**2,025,780**

IV. Consolidated Statement of Cash Flows

KEUR	Notes	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Cash flow from operating activities			
Net loss / Net income		*-10,046*	*10,338*
Net financial income or expense		15,934	10,064
Income taxes		412	1,034
Earnings before interest and taxes (EBIT)		*6,300*	*21,436*
Depreciation and amortisation		41,182	33,028
Equity-settled, share-based employee benefits		34	-
Loss (+) / gain (-) on sale of property, plant and equipment		-404	-1,877
Increase (-) / decrease (+) in:			
Inventories		14	-5,128
Trade and other receivables and other assets not classified as investing or financing activities		-10,662	-15,917
Accruals and deferrals		-1,652	-187
Increase (+) / decrease (-) in:			
Trade payables and other liabilities not classified as investing or financing activities		11,326	18,133
Provisions		-528	-1,220
Deferred revenue		12,848	8,556
Income tax paid		-428	-1,530
Cash flow from operating activities		**58,030**	**55,294**
Cashflow from investing activities			
Proceeds from sale of property, plant, equipment, and intangible assets		639	632
Acquisition of property, plant, and equipment [1)]		-28,323	-39,164
Acquisition of intangible assets		-7,101	-11,059
Interest received		5	2
Acquisition of subsidiaries, net of cash acquired		706	-
Cashflow from investing activities		**-34,074**	**-49,589**

Please refer to the footnotes on the next page.

KEUR	Notes	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Cash flow from financing activities			
Payment of financial lease liabilities		-5,615	-6,498
Dividends paid		-141	-
Proceeds from loans, bonds, and short or long-term borrowings from banks		-	22,000
Transaction costs with redard to loans and borrowings [2)]		-402	-1,024
Repayment of borrowings		-490	-5,026
Interest paid		-12,552	-22,333
Acquisition of non-controlling interests		-	-12
Cash flow from financing activities		**-19,200**	**-12,893**
Cash and cash equivalents for the period			
Net increase (+) / decrease (-) in cash and cash equivalents		4,756	-7,188
Cash and cash equivalents at the beginning of the period		26,288	31,767
Cash and cash equivalents at the end of the period		*31,044*	*24,579*
Increase (+) / decrease (-) from release of restricted cash and cash equivalents during the period		-1	287
Unrestricted cash and cash equivalents at end of period		**31,043**	**24,866**

1) In the Supplement to Quarterly Statement for the quarter ending 31 March 2018, respective item included non-cash investments in finance leases in the amount of KEUR 26,769.

2) In the Supplement to Quarterly Statement for the quarter ending 31 March 2018 transaction costs have been reported in the item *Repayment of borrowings.*

A. General Information

Introduction and overview

The present Consolidated Interim Report for the Companies of Tele Columbus AG describes the essential information for the period from 1 January to 31 March 2019.

Following the introduction, the Consolidated Income Statement, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows as of 31 March 2019, are presented below. Additionally, there are explanations of individual items, and the financial position, financial performance and financing structure are presented.

The functional currency for the Consolidated Quarterly Report is Euro. Unless otherwise indicated, all values are rounded to the nearest thousand Euros (KEUR). As the figures in this report are disclosed in thousand Euros, there may be rounding differences. In some instances, such rounded figures and percentages might not add up to 100 %. Subtotals in tables may also therefore differ slightly from unrounded figures stated elsewhere in the Quarterly Report.

With regard to the financial data set out in the Quarterly Report, a dash (-) indicates that the relevant item is not applicable and a zero (0) indicates that the relevant number has been rounded to or equals zero.

The Consolidated Quarterly Report was prepared based on the assumption of continued business operations (‘Going concern’).

B. Changes in Consolidated Entities

As of 1 January, Tele Columbus Betriebs GmbH, a 100% subsidiary of Tele Columbus AG, acquired the controlling interest of another company.

Since the first-time consolidation that acquired company contributed in the first three months by KEUR 1,150 to the Group sales, by KEUR 212 to the EBITDA and by KEUR 102 to the net income.

For reasons of materiality detailed information of that transaction is abdicated.

There are no further significant changes in the scope of consolidation in the Consolidated Quarterly Report compared to the reporting date as of 31 December 2018.

C. Accounting and Measurement Policies

For the three-month period ended on 31 March 2019, predominantly the same accounting principles and calculation and valuation methods as for the Consolidated Financial Statements of 31 December 2018 were applied.

Significant changes due to the newly applied IFRS 16 will be described in the following section:

In the course of the changeover to IFRS 16, assets for the rights to use the leased items were recognised as at 1 January 2019 in the amount of KEUR 24,930 and leasing liabilities also in the amount of KEUR 24,930.

The transition to IFRS 16 was made according to the modified retrospective approach. The comparison figures of the previous period were not adjusted. The rights of use were capitalised in the same amount as the liability at the time of the first application on 1 January 2019. Consequently, at the time of first application, there were no effects whatsoever on either equity or deferred taxes.

The Companies of the Tele Columbus AG have decided not to apply the new rule neither to new leasing relationships, in which the underlying asset is of low value nor to short-term owner and user relationships that have been entered into for items other than buildings and technical equipment. In cases where leases are not capitalised, the leasing payments related to these leases are recognised as expense.

Effects in first quarter of the financial year 2019

The capitalisation of use rights that have been reported on the balance sheet as operating leases pursuant to IAS 17 until 31 December 2018 results in the following effects before taxes:

TEUR	**1 Jan to 31 Mar 2019**
Reduction lease expenses	1,861
EBITDA	**1,861**
Deprecation and amortisation	-1,785
Interest expense	-122
Profit (+) / Loss (-) before tax	-46

In reference to the effects from leasing on the EBITDA Q1 2019 compared to Q1 2018, we refer to the result *EBITDA After Lease* under E.3.1 ‘Profit situation’.

There are no major changes in significant discretionary decisions and assumptions or to the estimation uncertainties in the first quarter ending 31 March 2019 in comparison with the Consolidated Financial Statements as of 31 December 2018.

D. Supplementary Information on the Consolidated Income Statement and Consolidated Statement of Financial Position

D.1 Revenue

KEUR	TV	Internet & Telephony	Other	1 Jan to 31 Mar 2019 Total	1 Jan to 31 Mar 2018 Gesamt
Revenue from contracts with customers	**62,375**	**36,608**	**15,656**	**114,639**	**119,645**
Analogue	49,548	-	-	49,548	53,597
Internet / telephony	-	34,891	3,592	38,483	38,416
Additional digital services	7,427	-	-	7,427	6,491
Other transmission fees and miscellaneous feed-in charges	3,762	884	-	4,646	6,671
Construction services	-	-	5,518	5,518	4,000
Network capacity	-	-	3,155	3,155	4,598
Computing centre	-	-	905	905	-
One-off fees for B2B customers	-	-	1,825	1,825	-
Antenna / maintenance	212	185	132	529	-
Hardware sales	23	13	427	463	-
Other	1,403	634	102	2,140	5,872
Revenue from rentals	**2,473**	**1,427**	**1,601**	**5,501**	**3,786**
Receiver rent	2,473	1,427	-	3,900	3,786
Network infrastructure rent	-	-	1,601	1,601	-
	64,848	**38,035**	**17,257**	**120,140**	**123,431**

The revenue of the Companies of Tele Columbus AG primarily include monthly subscription fees and, to a lesser extent, one-off installation and connection charges for the basic analogue and digital cable television services, as well as for additional premium services. They also include charges for access to high-speed internet and telephony. Further revenue is generated by other transmission fees and feed-in charges, which are paid to the Companies of Tele Columbus AG as consideration for the distribution of programmes. Furthermore, damage compensation claims against end customers arising from cancellations during the minimum contract term are also reported as revenue.

The revenues from analogue TV (KEUR -4,049) and the revenues from other transmission fees and feed-in charges (KEUR -2,025) declined compared to the prior year period. Regarding the feed-in charges, the impact results from the already performed, and required by law, disconnections of analogue cable TV (disconnections took place from the third quarter of 2018 onwards). The goal is to create free capacities to provide customers larger internet bandwidths and to offer a better image and sound quality by digital programmes.
The increase in revenues from digital additional services (KEUR 756) made a compensatory contribution.

New projects generated higher revenues in the construction services.

D.2 Other income

KEUR	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Other income from bad debt	1,056	1,760
Gains on disposal of non-current assets	475	2,131
Income from dunning fees	292	331
Income from the de-recognition of liabilities and reversal of provisions	284	1,397
Income from marketing subsidies [1)]	63	86
Income from sale	44	842
Miscellaneous other income	1,600	1,431
	3,814	**7,978**

[1)] Income from marketing subsidies were reported in the Supplement to Quarterly Statement for the quarter ending 31 March 2018 under the item *Miscellaneous other income.*

D.3 Other expenses

KEUR	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Legal and consulting fees	-6,232	-6,385
Advertising	-3,732	-2,494
Impairment on receivables	-2,502	-1,750
Occupancy costs	-1,726	-1,208
IT costs	-1,631	-1,515
Communication costs	-704	-608
Vehicle costs	-658	-727
Insurance, fees and contributions	-581	-561
Travel expenses	-427	-688
Incidental bank charges	-255	-196
Office supplies and miscellaneous administrative expenses	-250	-159
Maintenance	-105	-873
Losses on disposal of non-current assets	-71	-254
Miscellaneous other expenses	-408	-2,279
	-19,283	**-19,697**

In comparison with the prior-year period, other expenses slightly decreased by KEUR 414. The increased advertising expenses (KEUR -1.238), the increased impairment on overdue receivables (KEUR -752) and the increased occupancy cost (KEUR -518) are basically compensated by the decline of the miscellaneous other expenses (KEUR 1.871) and the decline of maintenance cost (KEUR 768).

D.4 Interest income and expense

KEUR	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Interest income from third parties and similar income	91	2,357
Interest and similar income	**91**	**2,357**
Interest paid to third parties	-13,961	-9,220
Expenses resulting from compounding of loans and bond under the effective interest rate method	-1,582	-1,187
Expenses resulting from revaluation of interest caps	-58	-2,338
Interest and similar expenses	**-15,601**	**-12,745**
	-15,510	**-10,388**

The interest paid to third parties mainly relates to liabilities to banks (loans and outside capital).

For more details, please refer to Section D.9 ‘Liabilities to banks and from the bond issuance’.

D.5 Other financial income and expenses

The decrease in the Other financial income and expenses by KEUR 748 to KEUR -424 is basically related to the re-measurement of embedded derivatives of KEUR -617.

D.6 Fixed assets

The operative increase of property, plant and equipment compared to 31 December 2018 largely results from investments in technical equipment and machinery, as well as from investment projects started for assets under construction and prepayments.

Fixed assets increased compared to 31 December 2018 by KEUR 25,554 to KEUR 664,984. This is decisively due to the initial application of IFRS 16 Leases and to further investments into technical equipment. A further key impact results from the increase of prepayments due to started investment projects. That increase became partially compensated by regular depreciation.

Moreover, there are additions to fixed assets in the amount of KEUR 29,295 in relation to the first-time adoption of IFRS 16 Leases, which relate to properties, technical equipment for network infrastructure and other equipment.

D.7 Trade receivables and other assets

KEUR	31 March 2019	31 December 2018
Trade and other receivables - gross	82,806	70,252
Impairment losses	-16,032	-14,023
Trade and other receivables - net	**66,774**	**56,229**

Trade receivables largely comprise receivables of subscription fees as well as receivables of signal delivery, transmission fees and feed-in charges.

The increase in trade receivables is mainly due to new projects, especially for construction and customer services.

Additionally, there are trade receivables from related parties.

Other assets in the amount of KEUR 20,671 (2018: KEUR 19,421) primarily comprise advance payments, receivables from VAT and creditors with debit balances. In comparison to the previous year, the change is mainly related to the decrease of receivables from VAT and an increase from advance payments on orders.

D.8 Other provisions

Other provisions as of 31 March 2019 can be broken down into short-term liabilities amounting to KEUR 9,478 (2018: KEUR 9,527) and long-term liabilities amounting to KEUR 2,721 (2018: KEUR 2,721). Other provisions mainly include provisions for claims to subsequent payments resulting from tax audit risks, provisions for asset retirement obligations, litigation risks and restructuring.

Provisions for claims to subsequent payments resulting from tax audit risks amount as at 31 March 2019 KEUR 6,267 and have been set at the level of individual subsidiaries.

Provisions for asset retirement obligations amount KEUR 1,753 as at March 2019 and were created in connection with the new company headquarters in Berlin. The estimate for the effective usage wasn't changed compared to 31 December 2018.

Litigation provisions as of 31 March 2019 amount to KEUR 870 and result basically from disputed claims regarding the development of commercial premises.

Restructuring provisions amount KEUR 872 as at 31 March 2019. During the three-months-period ending at 31 March 2019 KEUR 106 were utilized and an additional amount of KEUR 196 has been accrued.

Short-term provisions are expected to be utilised within one year. It is considered to be likely that the amount of the actual claim will correspond to the recognised provisions as of the reporting date.

D.9 Liabilities to banks and from the bond issuance

KEUR	31 March 2019	31 December 2018
Liabilities to banks and from the bond issuance - nominal values	1,435,724	1,436,122
Transaction costs	-42,248	-42,248
Accrued interest	4,972	3,492
Liabilities in connection with embedded derivatives	3,305	3,449
Long-term liabilities to banks and from the bond issuance	**1,401,752**	**1,400,814**
Liabilities to banks and from the bond issuance - nominal values	16,503	15,940
Accrued interest	365	264
Transaction costs	-1,144	-1,144
Short-term liabilities to banks and from the bond issuance	**15,724**	**15,059**
	1,417,476	**1,415,873**

Current and non-current liabilities comprise credit facilities concluded by Tele Columbus AG under the Senior Facilities Agreement and Senior Secured Notes (Bond) in the amount of KEUR 1,412,170 (2018: KEUR 1,409,980) and other individual loans and liabilities of subsidiaries in the amount of KEUR 5,306 (2018: KEUR 5,893).

D.9.1 Liabilities to banks under the Senior Facilities Agreement

At the reporting dates, the loan facilities (including outstanding interest) show the following balances:

KEUR	31 March 2019		31 December 2018
Senior Tranche A2 loan (term ending on 15 October 2024) - new -	692,164	1)	696,951
Senior Secured Notes - Bond (term ending on 2 Mai 2025)	648,670	2)	641,950
Term Loan Facility 75m (term ending on 18 October 2023)	71,985	3)	71,863
	1,412,820		**1,410,764**

1) Includes transaction costs not compounded yet for the term loans in the amount of KEUR -20,525 (2018: KEUR -21,352) and embedded derivatives in the amount of KEUR 1,749 (2018: KEUR 1,820) that result from agreed floors and repayment options in the term loans.

2) Includes transaction costs not compounded yet for the Senior Secured Notes in the amount of KEUR -12,635 (2018: KEUR -13,090) and embedded derivatives in the amount of KEUR 880 (2018: KEUR 912) that result from repayment options in the bond terms.

3) Includes transaction costs not compounded yet for the Term Loan Facility 75m in the amount of KEUR -4,116 (2018: KEUR -4,314) and embedded derivatives in the amount of KEUR 676 (2018: KEUR 717) that result from agreed floors and repayment options in the term loans.

In accordance with the share and interest pledge agreement dated 3 May 2018, interests in affiliated companies and associates are pledges as collateral for liabilities to banks. Pledges to shares in affiliated companies and associates may be realised in case of maturity of the pledge and if the secured financing instruments are terminated. In addition, loans of the companies of Tele Columbus AG are collateralised with trade receivables.

Value of the loan collateral pledged as at the respective reporting dates is presented as follows:

KEUR	31 March 2019	31 December 2018
Shares in affiliates	1,586,514	1,586,514
Trade receivables	4,852	4,852
	1,591,366	**1,591,366**

D.9.2 Other liabilities to banks

There are further individual loan agreements and liabilities between subsidiaries of Tele Columbus AG and banks. As at the reporting date, these result in financial liabilities of KEUR 5,306 (2018: KEUR 5,893). The maturities of these loan agreements and liabilities respectively range between nine months to eighty months. The loans all bear fixed interest at interest rates between 0.63 % p.a. and 4.22 % p.a..

D.10 Trade payables, other financial liabilities, other liabilities and deferred revenue

Trade payables in the amount of KEUR 98,620 (2018: KEUR 76,503) mainly comprise liabilities in connection with signal delivery contracts, services and unbilled trade payables recognised up at the balance sheet date. Compared to the previous year, the change is mainly due to the increase of liabilities related to signal delivery contracts.

Other financial liabilities mainly relate to leasing obligations resulting from the use of infrastructure facilities in the amount of KEUR 98,627 (2018: KEUR 76,443). In comparison to the previous year, the change mainly results from the first-time adoption of IFRS 16 Leases.

Other liabilities of KEUR 17,950 (2018: KEUR 24,834) primarily include customer deposits, severance payments and other accruals. The decrease is mainly due to reduced VAT liabilities and other liabilities to personnel.

As of 31 March 2019, short-term deferred revenue increased by KEUR 13,393 to KEUR 16,324. The increase essentially results of deferred revenue from customers for prepaid annual fees and prepayments from customers for monthly hardware rentals. There are no material changes in long-term deferred items.

E. Other Supplementary Information

E.1 Risk management

E.1.1 Risk management of financial instruments and interest risks

There are no material changes in the Group's risk management objectives and methods or the nature and extent of the risks arising from financial instruments for the three-month period as of 31 March 2019 compared to the Consolidated Financial Statements as of 31 December 2018.

E.1.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations with existing liquidity reserves within the time frame required. Liquidity risks may also arise from cash used in operating or investing activities. Liquidity management at Tele Columbus AG aims to ensure that – as far as possible – sufficient liquid funds are always available to be able to meet payment obligations when they fall due, under both normal and strained conditions, without suffering unsustainable losses or damaging the Group's reputation. Liquidity risks from financing activities arise, for example, if cash outflows are required in the short term to settle liabilities but cash from operating activities is insufficient to cover expenses and no other liquid assets are available in sufficient quantity for such repayment

Liquidity projections for a specific planning horizon and the revolving credit facility of KEUR 50,000 available at Tele Columbus AG for general costs (with a term until 2 January 2021) are designated to ensure a continuous supply of liquidity for operating activities.

The revolving credit line has not been used as of the reporting date.

Cash and cash equivalents as of 31 March 2019 amount to KEUR 31,043 (2018: KEUR 26,288).

The following table shows the contractually agreed maturity dates for liabilities to banks and from issuance of the bond; the amounts shown are non-discounted gross amounts:

KEUR	31 March 2019	31 December 2018
Less than one year - non-derivative	2,045	2,169
Less than one year - derivative	-	-
Less than one year- interest liabilities (before effects from derivatives)	65,637	64,727
Between one and five years - non-derivative	77,427	77,701
Between one and five years - derivative	-	-
Between one and five years- interest liabilities (before effects from derivatives)	199,379	200,462
More than five years- non-derivative	1,358,296	1,358,421
More than five years - derivative	-	-
More than five years- interest liabilities (before effects from derivatives)	11,623	16,990

The financing agreement on granting credit facilities (last amended on 3 May 2018) and the arrangement of the bond contain various covenants whereby the (bond) creditors have the option to call in the loans or bond in the event of non-compliance. Compliance with these covenants as well as capital risk, to which Tele Columbus is exposed as a stock corporation, are continuously monitored by the Board of Management.

As at the reporting date, the liquidity risk in the event of non-compliance with these covenants amounted to KEUR 1,446,921 (31 December 2018: KEUR 1,446,168). The risk of non-compliance with these covenants and associated financial regulations could have a negative impact on the credit availability and going concern assumption for the companies of Tele Columbus AG.

Strategic measures regarding compliance with existing covenants and payment obligations have been initiated in order to ensure the liquidity of the companies of Tele Columbus AG on a long-term basis. Among other measures, the management has expanded the Group-wide cash pooling to all companies.

In the context of Group financing, the companies of Tele Columbus AG also aim to gradually repay financial liabilities using liquidity generated from their operations.

There were no relevant changes to the interest rate risk for the first three months ended March 31, 2019.

E.2 Segment reporting

The Companies of the Tele Columbus AG report their operating business in two product segments: 'TV' and 'Internet & Telephony'. For these segments, quarterly internal management reports are prepared for the purposes of control.

Relationships between the individual segments were eliminated.

For a detailed description of the segments, please refer to the Consolidated Financial Statements as of 31 December 2018.

The following table contains information on the individual reportable segments as well as the non-reportable segment 'Other'.

1 Jan to 31 Mar 2019

KEUR	TV	Internet & Telephony	Other	Total
Revenue	64,848	38,035	17,257	120,140
Normalised EBITDA	37,495	27,064	-7,744	56,815
Non-recurring expenses (-) /income (+)	-292	-93	-8,948	-9,333
EBITDA	**37,203**	**26,971**	**-16,691**	**47,482**

1 Jan to 31 Mar 2018

KEUR	TV	Internet & Telephony	Other	Total
Revenue	70,253	38,862	14,316	123,431
Normalised EBITDA	44,490	29,461	-8,575	65,376
Non-recurring expenses (-) /income (+)	-314	-57	-10,541	-10,912
EBITDA	**44,176**	**29,404**	**-19,116**	**54,464**

E.3 Further information to the Consolidated Interim Report

The further information regarding the Consolidated Interim Report summarised below relates to the Companies of the Tele Columbus as of 31 March 2019 and represents the profit situation, financial position and financing structure for the first quarter of 2019.

E.3.1 Profit situation

The table below provides an overview of the development of the earnings:

KEUR	1 Jan to 31 Mar 2019	1 Jan to 31 Mar 2018
Revenue	**120,140**	***123,431***
Own work capitalised	5,010	4,278
Other income	3,814	7,978
Total operating income	***128,964***	***135,687***
Cost of materials	-42,201	-38,539
Employee benefits	-19,998	-22,987
Other expenses	-19,283	-19,697
EBITDA	***47,482***	***54,464***
Non recurring expenses (+) / income (-)	9,333	10,912
Normalised EBITDA	***56,815***	***65,376***
Reconciliation (EBITDA)		
Depreciation of rights-of-use assets	*-5,665*	*-3,553*
Interest expenses on recognised lease liabilities	*-749*	*-636*
EBITDA after lease	***41,068***	***50,276***
Normalised EBIDTA after lease	***50,401***	***61,188***
EBITDA	***47,482***	***54,464***
Net financial income and expenses	-15,934	-10,064
Depreciation and amortisation	-41,182	-33,028
Income taxes	-412	-1,034
Net loss / Net income	***-10,046***	***10,338***

Revenue from the segment 'TV' slightly decreased by 7.7 % to KEUR 64,848 (comparison period 2018: KEUR 70,253). Decreasing revenues in the segment 'Internet & Telephony' by 2.1 % from KEUR 38,862 to KEUR 38,035 were reported.

Compared to the first quarter of 2018, sales decreased by KEUR 3,291 to KEUR 120,140.

Cost of materials as of 31 March 2019 increased by KEUR 3,662 to KEUR 42,201 compared with the corresponding prior period (comparison period 2018: KEUR 38,539).

For the first quarter of 2019, the EBITDA amounted to KEUR 47,482 and decreased by KEUR 6,982 compared with the corresponding period of the previous year (comparison period 2018: KEUR 54,464).

The 'normalised EBITDA' decreased by 13.1 % to KEUR 56,815 compared with the previous year (comparison period 2018: KEUR 65,376).

In the reporting period, the operating margin, which is defined as the ratio of ‘normalised EBITDA’ to revenue, fell to 47.3 % (comparison period 2018: 53.0 %).

The negative financial result decreased by KEUR 5,870 to KEUR 15,934 compared with the corresponding prior period, mainly due to higher interest expenses and the value adjustment of embedded derivatives.

E.3.2 Financial position

Property, plant and equipment increased compared to 31 December 2018 by KEUR 25,554 to KEUR 664,984. This is decisively due to the initial application of *IFRS 16 Leases* and the further investment in technical plant and equipment. A further key effect is the increase in assets under construction and advances paid due to investment projects started. This increase was compensated by the scheduled depreciations.

For intangible assets and goodwill, a reduction of KEUR 635 to KEUR 1,258,099 was reported compared to 31 December 2018. The change results primarily from the capitalisation of customer commissions and their scheduled amortisation as well as from the scheduled amortisation of the customer base.

Derivative financial instruments amounting to KEUR 1,204 (2018: KEUR 1,283) include two interest caps of KEUR 37 in total and the embedded derivatives in Senior Secured Notes (call) in the amount of KEUR 1,166, which were created in connection with the issued bond and which have a positive fair value.

Short-term trade and other receivables rose by KEUR 10,545 compared to 31 December 2018 to KEUR 66,754. For more details, please refer to Section D.7 ‘Trade receivables and other assets’.

The debt of interest-bearing loans and bonds of the Companies of Tele Columbus AG amounts to KEUR 1,417,476 as of 31 March 2019 (2018: KEUR 1,415,873). This equals a percentage of 68.5 % (2018: 69.9 %) in the balance sheet total. For more details, please refer to Section E.3.3 ‘Financing structure’ and Section D.9 ‘Liabilities to banks and from the bond issuance’.

The slight reduction of other provisions is largely due to the restructuring provision having been utilised. For more details, please refer to Section D.8 ‘Other provisions’.

Long-term financial liabilities essentially mainly include lease liabilities for the use of infrastructure facilities.

As of 31 March 2019, other liabilities declined by KEUR 6,884 to KEUR 17,950. The decline is mainly due to the significantly lower VAT liabilities. For more details, please refer to Section D.10 ‘Trade payables, other financial liabilities, other liabilities and deferred revenue’.

Long and short-term deferred items reported an increase by KEUR 13,348 to KEUR 20,731. It is referred to Section D.10 “Trade payables, other financial liabilities, other liabilities and deferred and accrued items” for further information.

E.3.3 Financing structure

Lender	Borrower	Total in KEUR as of 31 Mar 2019	Share	Total in KEUR as of 31 Dec 2018	Share
Senior Tranche A2 Loan	TC AG	692,164	48.8%	696,951	49.2%
Senior Secured Notes - Bond	TC AG	648,670	45.7%	641,950	45.3%
Term Loan Facility 75M	TC AG	71,985	5.1%	71,863	5.1%
Miscellaneous	Various	5,306	0.4%	5,893	0.4%
Total		**1,418,126**	**100.0%**	**1,416,657**	**100.0%**

The increase of the loan balance in the first three months of 2019 is mainly due to the interest payable related to the bond and as compensating impact the reduced interest payable related to the Senior Tranche A2 loan.

E.3.4 Forecast report

Together with the publication of the results as of 31 March 2019 the Executive Board of Tele Columbus AG confirms the prognosis and targets for 2019 presented in the Consolidated Financial Statements as of 31 December 2018.

E.3.5 Report of changes in risks and opportunities

Regarding the risk report of the Companies of Tele Columbus AG, please refer to the statements in Section 6 ‘Risk report’ of the Group Management Report for the financial year 2018.

A number of opportunities for the future are presented for the companies of Tele Columbus AG, which result especially from the competitive strengths of Tele Columbus AG. In this regard, it is referred to the comments in Section 7 “Opportunities” in the Group Management Report for the financial year 2018.

There were no significant changes regarding the risks and opportunities described in the Group Management Report 2018. Accordingly, the opportunities and risks presented continue to apply.

E.4 Subsequent events

Change in the Supervisory Board of Tele Columbus AG

Effective 3 April 2019, Frank Donck resigned from the position of Chairman of the Supervisory Board of Tele Columbus AG and announced his retirement from the Supervisory Board.

As interim Chairman of the Supervisor Board, and until the elections on 21 June 2019 by the Company's Annual General Meeting, André Krause has been appointed.

There were no other material events after the balance sheet date.