

Tele Columbus AG

# Quarterly release for the quarter ended 31 March 2021



Quarterly release  
For the quarter  
ended 31 March 2021

for

Tele Columbus AG, Berlin

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# Consolidated income statement

KEUR	Note	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
Revenue	D.1	118,974	118,477
Own work capitalised		5,035	4,604
Other income	D.2	1,125	1,893
<i>Total operating income</i>		<i>125,134</i>	<i>124,974</i>
Cost of materials		-34,933	-38,776
Employee benefits		-20,907	-20,675
Other expenses	D.3	-22,759	-10,025
<b>EBITDA</b>		<b>46,535</b>	<b>55,498</b>
Depreciation/amortisation and impairment		-50,977	-48,458
<b>EBIT</b>		<b>-4,442</b>	<b>7,040</b>
Equity method income (+) / loss (-)		-	-
Interest income and similar income	D.4	4	51
Interest expense and similar expense	D.4	-22,483	-15,149
Other financial income (+) / loss (-)	D.5	7,740	2,593
<i>Profit (+) / Loss (-) before tax</i>		<i>-19,181</i>	<i>-5,465</i>
Income taxes		3,004	580
<b>Net loss</b>		<b>-16,177</b>	<b>-4,885</b>
attributable to shareholders of Tele Columbus AG		-16,617	-5,683
attributable to non-controlling interests		440	798
Basic earnings per share in EUR		-1.00	-0.04
Diluted earnings per share in EUR		-1.00	-0.04

The following notes are an integral component of these consolidated financial statements.

EBITDA stand for earnings before interests, taxes, depreciation and amortisation and EBIT stand for earnings before interests and taxes.

# Consolidated statement of profit or loss and other comprehensive income

KEUR	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
<i>Net loss</i>	-16,177	-4,885
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement of gains (+)/ losses (-) on defined benefit plans (after deferred of taxes)	-	-
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income</b>	<b>-16,177</b>	<b>-4,885</b>
<b>of which attributable to:</b>		
<i>Shareholders of Tele Columbus AG</i>	-16,617	-5,683
Non-controlling interests	440	798

The following notes are an integral component of these consolidated financial statements.

# Consolidated statement of financial position

KEUR	Note	31 March 2021	31 December 2020
<b>Non-current assets</b>			
Property, plant, and equipment	E.4.2	705,154	712,663
Intangible assets	E.4.2	1,102,767	1,117,462
Investments accounted for using the equity method		439	441
Trade and other receivables	D.7	6	6
Other assets	D.7	4	4
Other financial receivables	D.7	3,515	3,517
Accruals and deferrals (non-financial)	D.7	2,227	2,402
Deferred tax assets		–	137
Derivative financial instruments		9,607	5,876
		<b>1,823,719</b>	<b>1,842,508</b>
<b>Current assets</b>			
Inventories		5,103	5,451
Trade and other receivables	D.7	60,987	52,423
Receivables from related parties		226	250
Other financial receivables	D.7	7,259	6,711
Other assets	D.7	5,983	7,882
Current tax assets		2,198	2,674
Cash and cash equivalents		64,025	61,890
Accruals and deferrals (non-financial)	D.7	9,253	5,127
Assets held for sale		4,106	–
		<b>159,140</b>	<b>142,408</b>
<b>Total assets</b>		<b>1,982,859</b>	<b>1,984,916</b>

The following notes are an integral component of these consolidated financial statements.

KEUR	Note	31 March 2021	31 December 2020
<b>Equity</b>			
Share Capital		127,556	127,556
Capital reserve		620,838	620,838
Other components of equity		-643,541	-627,109
<i>Equity attributable to shareholders of Tele Columbus AG</i>		<i>104,853</i>	<i>121,285</i>
Non-controlling interests		10,655	10,215
		<b>115,508</b>	<b>131,500</b>
<b>Non-current liabilities</b>			
Pensions and other long-term employee benefits		10,075	10,241
Other provisions	D.8	2,171	2,393
Liabilities to banks and from the bond issuance	D.9	1,449,415	1,447,867
Trade and other payables	D.10	46	46
Other liabilities	D.10	681	681
Other financial liabilities	D.10	44,062	45,493
Lease liabilities	E.1	139,945	139,667
Accruals and deferrals (non-financial)	D.10	3,755	3,874
Deferred tax liabilities		13,860	18,390
Derivative financial instruments		7,380	11,165
		<b>1,671,390</b>	<b>1,679,818</b>
<b>Current liabilities</b>			
Other provisions	D.8	14,387	14,077
Liabilities to banks and from the bond issuance	D.9	15,126	14,533
Trade and other payables	D.10	75,618	71,830
Payables due to related parties		83	818
Other liabilities	D.10	19,670	18,761
Other financial liabilities	D.10	10,017	10,286
Lease liabilities	E.1	30,742	29,469
Income tax liabilities		9,808	9,318
Accruals and deferrals (non-financial)	D.10	20,194	4,506
Liabilities held for sale		316	-
		<b>195,961</b>	<b>173,598</b>
<b>Total equity and liabilities</b>		<b>1,982,859</b>	<b>1,984,916</b>

The following notes are an integral component of these consolidated financial statements.

# Consolidated statement of cash flows

KEUR	Note	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
<b>Cash flow from operating activities</b>			
Net loss		-16,177	-4,885
Net financial income or expense	D.4/D.5	14,739	12,505
Income taxes		-3,004	-580
Equity method income/loss		-	-
<i>Earnings before interest and taxes (EBIT)</i>		-4,442	7,040
Depreciation and amortisation	E.4.2	50,977	48,458
Equity-settled share-based employee benefits		185	186
Loss (+) / gain (-) on sale of property, plant, and equipment		-188	-176
Increase (-) / decrease (+) in:			
Inventories		348	-683
Trade and other receivables (including contract assets) and other assets not classified as investing or financing activities	D.7	-9,618	-7,908
Accruals and deferrals (non-financial)	D.7	-3,951	-1,190
Increase (+) / decrease (-) in:			
Trade payables and other liabilities not classified as investing or financing activities	D.10	6,294	524
Provisions	D.8	-3,154	-41
Accruals and deferrals (non-financial) including contract liabilities	D.10	15,580	14,272
Income tax paid		-172	-370
<b>Cash flow from operating activities</b>		<b>51,859</b>	<b>60,112</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		82	137
Acquisition of property, plant and equipment	E.4.2	-14,422	-15,454
Acquisition of intangible assets	E.4.2	-6,039	-10,534
Interest received		4	3
<b>Cash flow from investing activities</b>		<b>-20,375</b>	<b>-25,848</b>



KEUR	Note	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
<b>Cash flow from financing activities</b>			
Payment of financial lease liabilities and service concession liabilities		-8,693	-6,226
Transaction costs with regard to loans and borrowings		-6,068	-12
Repayment of short or long-term borrowings		-144	-13,678
Interest paid		-14,378	-12,725
Acquisition of non-controlling interests		-	-5
<b>Cash flow from financing activities</b>		<b>-29,283</b>	<b>-32,646</b>
<b>Cash and cash equivalents at the end of the period</b>			
Net increase (+) / decrease (-) in cash and cash equivalents		2,201	1,618
Cash and cash equivalents at the beginning of the period		61,890	10,128
<b>Cash and cash equivalents at the end of the period</b>		<b>64,091</b>	<b>11,746</b>
Increase (+) / decrease (-) from release of restricted cash and cash equivalents during the period		-66	-104
<b>Free cash and cash equivalents at the end of the period</b>		<b>64,025</b>	<b>11,642</b>

The following notes are an integral component of these consolidated financial statements.

# Consolidated statement of changes in equity

For the fiscal year 2021

	Share capital	Capital reserve	Other changes in equity	Retained earnings	Revaluation reserve IAS 19	Equity attributable to shareholders of Tele Columbus AG	Non-controlling interests	Total equity
KEUR								
<b>Balance at 1 January 2021</b>	<b>127,556</b>	<b>620,838</b>	<b>-111,871</b>	<b>-513,443</b>	<b>-1,795</b>	<b>121,285</b>	<b>10,215</b>	<b>131,500</b>
Profit (+) / loss (-)	-	-	-	-16,617	-	-16,617	440	-16,177
Other comprehensive income (+)/(-)	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-16,617</b>	<b>-</b>	<b>-16,617</b>	<b>440</b>	<b>-16,177</b>
Dividends	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Equity settled share-based employee benefits	-	-	185	-	-	185	-	185
<b>Balance at 31 March 2021</b>	<b>127,556</b>	<b>620,838</b>	<b>-111,686</b>	<b>-530,060</b>	<b>-1,795</b>	<b>104,853</b>	<b>10,655</b>	<b>115,508</b>

# Notes to the consolidated financial statements

## A. General information

### A.1 Introduction

Tele Columbus AG as the ultimate parent company with its registered office at Kaiserin-Augusta-Allee 108, 10553 Berlin, Germany (commercial register Berlin-Charlottenburg HRB 161349 B), together with the Consolidated Subsidiaries, constitutes the Tele Columbus Group (hereinafter "Tele Columbus" or "Group") as of March 31, 2021. Tele Columbus AG acts as the Group holding company and is the ultimate administrative and holding company of the Group, which is therefore responsible for the control of the entire Group. Consequently, Tele Columbus AG performs both the strategic development of the Group and the provision of services and financing for affiliated companies.

### A.2 Basis of the quarterly reporting

This quarterly statement for the Tele Columbus AG Group describes material information about the reporting period from January 1 to March 31, 2021.

At the beginning, the consolidated statement of income, the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity as of March 31, 2021 are presented. Gains and losses are presented for the period from January 1, 2021 to March 31, 2021 and the comparative period from January 1, 2020 to March 31, 2020, respectively. For the net assets and financial position as of the balance sheet date of March 31, 2021, the comparative date is December 31, 2020. Furthermore, explanations of individual items and a description of the net assets, financial position and results of operations are provided.

The functional currency of the financial statements is the euro. Amounts are stated in thousands of euros (hereinafter referred to as "KEUR") unless otherwise indicated. Due to the fact that amounts are stated in thousands of euros, rounding differences may occur as a result of commercial rounding. In some cases, such rounded amounts and percentages may not add up to 100% and subtotals in tables may differ slightly from unrounded amounts in other sections of the consolidated financial statements due to commercial rounding.

With respect to financial information included in the consolidated financial statements, a dash ("-") indicates that the respective item is not applicable and a zero ("0") indicates that the respective value has been rounded to zero.

The consolidated financial statements for the three-month period ended March 31, 2021 have not been reviewed or audited by the auditor, as this is not required by law.

The consolidated financial statements have been prepared on a going concern basis.

The consolidated quarterly statement was prepared by the Management Board of Tele Columbus AG, Berlin, on May 25, 2021.

## B. Changes in consolidation scope

There are no significant changes in the scope of consolidation in the three-month period 2021 compared with the reporting as of December 31, 2020.

### Mergers

With entry in the commercial register on February 25, 2020, kabel.digital.service gmbh, Frankfurt (Oder), was merged into Tele Columbus Multimedia GmbH, Berlin, through transfer of its entire assets by dissolution without liquidation.

Tele Columbus Multimedia GmbH, Berlin has been converted into a company limited by shares (Tele Columbus Multimedia GmbH & Co. KG) as of 31 March 2021. In the process, 0.01% of the shareholding in Tele Columbus Multimedia GmbH, Berlin was also sold by Tele Columbus AG to Tele Columbus Betriebs GmbH, Berlin.

## C. Accounting policies

For the quarterly consolidated financial statements as of March 31, 2021, essentially the same accounting policies are applied compared to the consolidated financial statements as of December 31, 2020.

There are no significant changes in the key judgments and assumptions and estimation uncertainties for the three-month period ended March 31, 2021 compared to the consolidated financial statements as of December 31, 2020.

## D. Explanatory notes to the consolidated income statement and consolidated statement of financial position

### D.1 Revenue

KEUR	1 Jan. bis 31 Mar. 2021				Total
	TV	Internet & Telephony	Business Customers	Other	
Revenue from contracts with customers	<b>59,490</b>	<b>41,980</b>	<b>16,468</b>	<b>166</b>	<b>118,104</b>
Analogue	45,065	–	–	–	45,065
Internet/telephony	–	37,297	3,623	–	40,920
Receiver <sup>1)</sup>	2,611	1,596	–	–	4,207
Additional digital services	7,300	–	–	–	7,300
Other transmission fees and miscellaneous feed-in charges	3,785	2,736	–	–	6,521
Construction services	–	–	–	122	122
Network capacity	–	–	3,899	–	3,899
Computing centre	–	–	1,176	–	1,176
One-off fees for business customers	–	–	4,471	–	4,471
Antenna/maintenance	263	132	–	44	439
Hardware sales	–	–	3,131	–	3,131
Other	466	219	168	–	853
<b>Revenue from renting</b>	–	–	<b>870</b>	–	<b>870</b>
Network infrastructure rent	–	–	870	–	870
<b>Revenues according to segment reporting</b>	<b>59,490</b>	<b>41,980</b>	<b>17,338</b>	<b>166</b>	<b>118,974</b>

KEUR	1 Jan. bis 31 Mar. 2020				Total
	TV	Internet & Telephony	Business Customers	Other	
<b>Revenue from contracts with customers</b>	<b>61,173</b>	<b>40,146</b>	<b>12,834</b>	<b>3,534</b>	<b>117,688</b>
Analogue	47,127	–	–	–	47,127
Internet/telephony	–	35,872	3,563	–	39,435
Receiver <sup>1)</sup>	2,431	1,548	–	–	3,978
Additional digital services	7,241	–	–	–	7,241
Other transmission fees and miscellaneous feed-in charges	3,470	2,239	–	–	5,709
Construction services	–	–	–	3,485	3,485
Network capacity	–	–	4,238	–	4,238
Computing centre	–	–	813	–	813
One-off fees for business customers	–	–	1,012	–	1,012
Antenna/maintenance	297	149	–	50	496
Hardware sales	18	12	3,154	–	3,184
Other	589	327	54	–	970
<b>Revenue from renting</b>	<b>–</b>	<b>–</b>	<b>790</b>	<b>–</b>	<b>790</b>
Network infrastructure rent	–	–	790	–	790
<b>Revenues according to segment reporting</b>	<b>61,173</b>	<b>40,146</b>	<b>13,624</b>	<b>3,534</b>	<b>118,477</b>

1) In the financial year the presentation of revenue was adjusted to industry practice. Accordingly, the position "receiver" is now reported as revenue from contracts with customers and no longer as revenue from renting. The previous year's presentation was adjusted for reasons of comparability.

The revenues of the companies of Tele Columbus AG mainly comprise monthly subscription fees and, to a small extent, one-off installation and connection charges for basic analogue and digital cable television as well as premium ancillary digital services. They also include fees for high-speed internet access and telephony charges. Other revenue includes other transmission fees and feed-in fees paid as consideration for the distribution of programmes to the companies of Tele Columbus AG, as well as construction services.

## D.2 Other income

KEUR	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
Income from dunning fees	247	211
Gains on disposal of non-current assets	160	220
Income from sale	107	43
Income from marketing subsidies	95	67
Income from the reversal of provisions	5	142
Other income from reduction / reversal of valuation allowance on receivables	–	–
Miscellaneous other income	511	1,210
	<b>1,125</b>	<b>1,893</b>

Other income includes services and gains in relation to items that are not directly related to the purpose of the company. Miscellaneous other income consists of various individual items.

## D.3 Other expenses

KEUR	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
Legal and advisory fees	-13,963	-1,421
Advertising	-2,286	-2,354
IT costs	-2,099	-2,213
Occupancy costs	-873	-1,015
Vehicle costs	-586	-772
Communication costs	-555	-741
Insurance, fees and contributions	-348	-404
Impairment on receivables	-339	-9
Incidental bank charges	-287	-212
Maintenance	-202	-191
Office supplies and miscellaneous administrative expenses	-194	-250
Travel expenses	-71	-311
Losses on disposal of non-current assets	-59	-35
Miscellaneous other expenses	-897	-97
	<b>-22,759</b>	<b>-10,025</b>

## D.4 Interest income and expenses

KEUR	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
Interest and similar income	4	51
<b>Interest and similar income</b>	<b>4</b>	<b>51</b>
Interest expenses	-20,425	-13,467
Expenses resulting from compounding of loans and bond (Senior Secured Notes) under the effective interest rate method	-2,058	-1,682
Expenses resulting from revaluation of interest caps	-	-
<b>Interest and similar expenses</b>	<b>-22,483</b>	<b>-15,149</b>
	<b>-22,479</b>	<b>-15,098</b>

The interest paid mainly relates to liabilities to banks and liabilities arising from the senior secured notes.

## D.5 Other finance income/costs

KEUR	1 Jan. bis 31 Mar. 2021	1 Jan. bis 31 Mar. 2020
Other valuation effects due to loans and bonds	104	142
Value adjustment of embedded derivatives	7,516	2,451
Income from other financial income/costs	120	-
<b>Total other financial income/costs</b>	<b>7,740</b>	<b>2,593</b>

This increase in other financial income/expense is mainly attributable to the fair value adjustment on embedded derivatives.

## D.6 Property, plant and equipment

Property, plant and equipment increased by KEUR 7,509 to KEUR 705,154 compared to December 31, 2020, mainly due to additions from the capitalization of property, plant and equipment classified as IFRS 16 and other investments. In connection with leases, KEUR 10,810 is included in additions and KEUR 1,327 in disposals to non-current assets.

Another significant effect is the increase in assets under construction due to investment projects started. This effect was offset by disposals of technical equipment and depreciation.

## D.7 Trade receivables, other financial receivables, other assets, accruals and deferrals (non-financial)

The following table shows the development of impairments for trade receivables at Group level:

<b>KEUR</b>	31 March 2021	31 December 2020
Trade and other receivables – gross	79,452	71,054
thereof contract assets	7,984	6,959
Impairment losses	–18,459	–18,625
<b>Trade and other receivables – net</b>	<b>60,993</b>	<b>52,429</b>

Trade and other receivables mainly include receivables from subscription fees and from signal delivery, transmission and feed-in charges, receivables from deferred income and receivables from construction services.

In addition, there are trade receivables from related parties in the amount of KEUR 226 (December 31, 2020: KEUR 250).

Short and long-term other financial receivables of KEUR 10,774 (December 31, 2020: KEUR 10,228) consist mainly of claims from reinsurance policies for pensions that do not qualify as plan assets as well as rental deposits and rental guarantees.

Short and long-term other assets in the amount of KEUR 5,987 (December 31, 2020: KEUR 7,886) mostly include prepayments made on account of orders.

Short and long-term accruals of KEUR 11,480 (December 31, 2020: KEUR 7,529) primarily consist of payments relating to insurance, maintenance agreements, licences, rental payments and marketing costs.

## D.8 Other provisions

The other provisions reported as of March 31, 2021 comprise of current obligations of KEUR 14,387 (December 31, 2020: KEUR 14,077) and non-current obligations of KEUR 2,171 (December 31, 2020: KEUR 2,393). Other provisions mainly include provisions for subsequent claims arising from tax audit risks, asset retirement, litigation risks and other risks.

The companies of Tele Columbus AG have recognized provisions in the amount of KEUR 7.502 for possible additional funding obligations to offset future charges at the level of individual subsidiaries.

Litigation provisions amount to KEUR 951 as of March 31, 2021 and result from various disputed claims.

The provisions for asset retirement obligations in the amount of KEUR 1.386 mainly relate to the Company's headquarters in Berlin.

Miscellaneous other accruals of KEUR 5.321 include the estimated cost of services already received for which a payment deposit was made in the reporting year.

The current provisions are expected to be utilized within one year. It is considered probable that the amount actually utilized will correspond to the amounts accrued as of the balance sheet date.

## D.9 Liabilities to banks and from the bond issuance

Current and non-current liabilities comprise credit facilities concluded by Tele Columbus AG under the senior facilities agreement and senior secured notes (bond) of KEUR 1462.122 (December 31, 2020: KEUR 1459.831) and other individual loans and liabilities of subsidiaries in the amount of KEUR 2,419 (December 31, 2020: KEUR 2,569).

### D.9.1 LIABILITIES TO BANKS FROM THE SENIOR FACILITIES AGREEMENT

The following credit facilities are available to the Group under the senior facilities agreement: KEUR 707,463 (A2 term loan facility), KEUR 75,000 (75m term loan).

In addition, Tele Columbus AG refinanced a revolving credit line of KEUR 50,000 existing under the Senior Facilities Agreement in August 2020. The new financing consists of a term loan of KEUR 40,000 (Term Loan 40m) and a revolving credit line of KEUR 10,000. The margin is 5.00% p.a. plus Euribor. Furthermore, the financing includes a EURIBOR floor at 0%.

The margin is 3.00 % p.a. plus EURIBOR for the A2 facility and 4.5 % p.a. for the 75m term loan. In addition, the loan agreements include a EURIBOR floor of 0% for all facilities. For the unused parts of the revolving facility, a commitment fee amounting to 1.75 % of the applicable margin is calculated, which is payable on a quarterly basis. Furthermore, a duration fee in the amount of 1% of the credit volume for the term loans above KEUR 750 is to be paid in 2021.

The revolving credit was not used as at the reporting date. For the loans, there is a choice between a one-month, three-month or six-month EURIBOR. As at the reporting date, the A2 term loan facility and Term Loan 40 m were based on the six-month EURIBOR while the 75m term loan was based on the three-month EURIBOR.

In addition, the Company Tele Columbus AG has accounted for KEUR 650,000 from senior secured notes issued in May 2018 with an interest coupon of 3.875 % p.a.

The floors in relation to the EURIBOR and the repayment options are embedded derivatives (hybrids) and are subject to the requirement of separate disclosure and measurement stipulated in IFRS 9.

As at the reporting dates, the balances of credit facilities and senior secured notes (including outstanding interest) were as follows:



<b>KEUR</b>	31 March 2021	31 December 2020
Term Loan Facility A2 (term ending on 15 October 2024)	698,019	702,595
Senior Secured Notes (term ending on 2 May 2025)	652,287	645,531
Term Loan Facility 75m (term ending on 18 October 2023)	73,391	73,236
Term Loan Facility 40m (term ending on 11 August 2022)	38,425	38,469
Revolving Credit Facility (RCF) (term ending on 11 August 2022)	-	-
	<b>1,462,122</b>	<b>1,459,831</b>

In accordance with the share and interest pledge agreement dated May 3, 2018, interests in affiliated companies are pledged as collateral for liabilities to banks (Term Loan Facility A2, Term Loan Facility 75m, Term Loan Facility 40m) as well as Senior Secured Notes. Pledges on interests in affiliated companies may be enforced if the conditions underlying the pledge were in place and the collateralised financial instruments were also terminated. In addition, loans of the companies of Tele Columbus AG are collateralised with trade receivables. The covenant agreements within the financing contracts were met as at March 31, 2021.

#### D.9.2 OTHER LIABILITIES TO BANKS

There are other individual contractual loan agreements and liabilities between subsidiaries of Tele Columbus AG and banks. As at the reporting date, these result in financial liabilities of KEUR 2,419 (December 31, 2020: KEUR 2,569). The term of these loan agreements/liabilities varies between 12 and 55 months. Fixed interest rates between 1.15% p.a. and 2.72% p.a. have been agreed for the loans.

### D.10 Trade and other payables, other financial liabilities, other liabilities, accruals and deferrals (non-financial)

Trade and other payable of KEUR 75,664 (December 31, 2020: KEUR 71,876) mainly comprise in connection with signal supply contracts, services and unbilled supplies and services provided up to the balance sheet date.

Other financial liabilities of KEUR 54,079 (December 31, 2020: KEUR 55,779) mainly relate to a service concession agreement.

Other liabilities of KEUR 20,351 (December 31, 2020: KEUR 19,442) mainly relate to personnel-related provisions.

Accruals and deferrals of KEUR 23,949 (December 31, 2020: KEUR 8,380) mainly comprises advance payments from customers and grants from cities and municipalities for the expansion of fibre optic networks.

## E. Other explanatory information

### E.1 Leases and other financial obligations

#### E.1.1 LEASES

##### AS LESSEE

The Tele Columbus Group has a large number of leases, for which, almost exclusively, acts as lessee. A significant portion of leases account for the leasing of local and regional transmission lines (fibre leases). Furthermore, the Group leases buildings and premises on a large scale. These serve to accommodate offices for administrative staff, retail stores for end customers and in some instances also technical equipment (data centres).

The maturities of the lease liabilities as of March 31, 2021 are as follows:

KEUR	31 March 2021	31 December 2020
Less than one year	30,742	29,469
Between one and five years	80,492	81,771
More than five years	59,453	57,896
<b>170,687</b>	<b>169,136</b>	<b>169,136</b>

Future lease obligations from short-term leases and leases based on low-value assets as of March 31, 2021 are as follows:

31 March 2021	Short-term leases	Leases based on low-value assets	Total
Less than one year	1,234	229	1 463
Between one and five years	-	126	126
More than five years	-	15	15
<b>1 234</b>	<b>370</b>	<b>370</b>	<b>1 604</b>

##### AMOUNTS RECOGNISED IN THE STATEMENT OF CASH FLOW<sup>1)</sup>

KEUR	31 March 2021	31 December 2020
Cash outflows for leases	10,744	42,566
<b>10,744</b>	<b>10,744</b>	<b>42,566</b>

1) Der Konzern hat:

- Auszahlungen für den Tilgungsanteil der Leasingverbindlichkeit als Finanzierungstätigkeit eingestuft
- Auszahlungen für den Zinsanteil der Leasingverbindlichkeit als Finanzierungstätigkeit eingestuft
- Zahlungen im Rahmen kurzfristiger Leasingverhältnisse, Zahlungen für Leasingverhältnisse, denen ein Vermögenswert von geringem Wert zugrunde liegt, und variable Leasingzahlungen, die bei der Bewertung der Leasingverbindlichkeit unberücksichtigt geblieben sind, als betriebliche Tätigkeiten eingestuft.

## E.1.2 OTHER FINANCIAL OBLIGATIONS

In addition to the leases described above, the Group has other financial obligations (mainly from service contracts). Future minimum payments from these contractual relationships have the following maturities:

<b>KEUR</b>	31 March 2021	31 December 2020
Less than one year	23,804	24,119
Between one and five years	5,432	11,115
More than five years	3,919	4,077
	<b>33,155</b>	<b>39,311</b>

## E.2 Risk management

### E.2.1 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

There are no significant changes in the Group's risk management objectives and methods or in the nature and extent of risks arising from financial instruments for the three-month period ended March 31, 2021 compared to the consolidated financial statements as of December 31, 2020.

### E.2.2 LIQUIDITY RISK

Liquidity risk represents the risk that existing liquidity reserves will be insufficient to meet financial obligations in a timely manner. Liquidity risks can also arise if cash outflows become necessary due to operating activities or investment activities. The management of liquidity in Tele Columbus AG is intended to ensure that - as far as possible - sufficient liquid funds are always available to meet payment obligations when due under both normal and strained conditions without incurring unacceptable losses or damaging the Group's reputation. Liquidity risks from financing activities arise, for example, when short-term cash outflows are required to repay liabilities but sufficient cash inflows cannot be generated from operating activities and, at the same time, sufficient liquid funds are not available for repayment.

In addition to utilized credit lines, the Tele Columbus Group currently has an undrawn revolving credit line in the amount of KEUR 10,000 with a term until August 11, 2022.

Cash and cash equivalents amounted to KEUR 64,025 as of March 31, 2021 (December 31, 2020: KEUR 61,890). Furthermore, the Tele Columbus Group regularly reviews further financing options. Based on the existing financing instruments and the possible financing options, there is no liquidity risk in the short and medium term.

The financing agreement for the granting of credit facilities dated May 3, 2018 contains various covenants, non-compliance with which gives the lender the option to call in the loans. Compliance with these covenants as well as the capital risk to which Tele Columbus is subject as a stock corporation are continuously monitored by the Management Board.

The liquidity risk in case of non-compliance with these covenants amounts to KEUR 1,472,463 as of the balance sheet date (December 31, 2020: KEUR 1,472,463). The risk of non-compliance with the covenants and the related financing regulations may have a negative impact on the credit availability and the going concern assumption of the companies of the Tele Columbus Group.

Strategic measures have been initiated to ensure compliance with existing covenants and payment obligations in order to secure the liquidity of the Tele Columbus Group in the long term.

In the course of Group financing, the aim is to gradually repay financial liabilities using the liquidity generated from operations.

A concentration of liquidity risks is generally not discernible.

There were no relevant changes in interest rate risk for the three-month period ending March 31, 2021 compared with the interest rate risks presented in the consolidated financial statements as of December 31, 2020.

### E.3 Segment reporting

The Group reports its operating business in two product segments: "TV" and "Internet and Telephony". Internal management reports are prepared for these segments on a quarterly basis for management purposes.

Relationships within individual segments are eliminated.

The following table contains information on the reportable segments "TV" and "Internet & Telephony" as well as the non-reportable segment "Other":

<b>1 Jan. to 31 Mar. 2021</b>				
<b>KEUR</b>	TV	Internet & Telephony	Other	Total
Revenue	59,490	41,980	17,504	118,974
Normalised EBITDA	33,732	30,671	-4,138	60,265
Non-recurring expenses (-) /income (+)	-191	-193	-13,346	-13,730
<b>EBITDA</b>	<b>33,541</b>	<b>30,478</b>	<b>-17,484</b>	<b>46,535</b>

<b>1 Jan. to 31 Mar. 2020</b>				
<b>KEUR</b>	TV	Internet & Telephony	Other	Total
Revenue	61,173	40,146	17,158	118,477
Normalised EBITDA	34,051	29,341	-6,296	57,096
Non-recurring expenses (-) /income (+)	-465	-358	-775	-1,598
<b>EBITDA</b>	<b>33,586</b>	<b>28,983</b>	<b>-7,071</b>	<b>55,498</b>

## E.4 Further information for the Group's quarterly release

### E.4.1 FINANCIAL PERFORMANCE

The table below provides an overview of the development of the results of operations:

Income situation in KEUR	1 Jan. to 31 Mar. 2021	1 Jan. to 31 Mar. 2020
Revenue	118,974	118,477
Own work capitalized	5,035	4,604
Other income	1,125	1,893
<b>Total operating income</b>	<b>125,134</b>	<b>124,974</b>
Cost of materials	-34,933	-38,776
Employee benefits	-20,907	-20,675
Other expenses	-22,759	-10,025
<b>EBITDA</b>	<b>46,535</b>	<b>55,498</b>
Non-recurring expenses (net)	13,728	1,597
<b>Normalised EBITDA</b>	<b>60,263</b>	<b>57,095</b>
<b>EBITDA</b>	<b>46,535</b>	<b>55,498</b>
Net finance income/costs	-14,739	-12,505
Depreciation and amortisation	-50,977	-48,458
Income tax	3,004	580
<b>Net loss</b>	<b>-16,177</b>	<b>-4,885</b>

Revenue in the first three months of 2021 increased slightly by KEUR 497 to KEUR 118,974 compared with the first three months of the 2020 financial year. Revenue from Internet/telephony and one-time charges to business customers continued to develop very positively. In addition, there were higher revenues from feed-in charges. TV revenues continued to decline, although the year-on-year decrease in the first quarter was less pronounced than in the previous quarters.

Other income decreased by KEUR 768 compared with the prior-year period. This decrease is attributable, among other things, to a decline in other operating income and a corrected presentation of pass-through charges.

The cost of materials as of March 31, 2021 decreased by 9.9% year-on-year to KEUR 34,933 (comparative period in 2020: KEUR 38,776). Higher volumes of capitalization of network leases were the main factor reducing expenses.

Other expenses increased significantly year-on-year by KEUR 12,734 to KEUR 22,759. The main drivers of the sharp increase are legal and consulting expenses in the amount of KEUR 12,542. Here, it is primarily the expenses in connection with the equity transaction that are causing a considerable increase in costs.

EBITDA amounted to KEUR 46,535 in the three-month period of fiscal year 2021 and decreased by KEUR 8,963 (16.2%) compared to the same period of fiscal year 2020. This is mainly due to the higher expenses in connection with the equity increase.

„Normalized EBITDA" amounted to KEUR 60,263 and increased by 5.5% compared to the same period of the previous year (same period of 2020: KEUR 57,095).

In the reporting period, the operating margin, defined as the ratio of "normalized EBITDA" to net sales, thus increased to 50.7% (comparative period in 2020: 48.2%).

The negative financial result deteriorated by KEUR 2,234 year-on-year to KEUR -14,739, mainly due to increased interest expenses (KEUR 6,958). In contrast, the other financial result improved by KEUR 5,147, mainly due to the value adjustment of embedded derivatives.

The income tax result increased by KEUR 2,424 to KEUR 3,004 (comparative period 2020: KEUR 580). This is mainly attributable to higher income from deferred taxes due to additional capitalization of loss carryforwards.

#### E.4.2 ASSETS AND LIABILITIES

Property, plant and equipment decreased by KEUR 7,509 to KEUR 705,154 compared to December 31, 2020, mainly due to depreciation of KEUR 32,616 offset by the effect of additions of KEUR 27,555. The additions come from the capitalisation of property, plant and equipment classified as IFRS 16 as well as further investments in technical equipment classified as assets under construction in the previous year.

There was a decrease of KEUR 14,695 in intangible assets and goodwill to KEUR 1,102,767 compared with December 31, 2020. The change results on the one hand from capitalized customer commissions and their scheduled amortization and on the other hand from the scheduled amortization of customer bases. In addition, KEUR 3,500 was also reclassified from goodwill to "assets held for sale" relating to KSP-Kabelservice Prenzlau GmbH. An offsetting effect is the capitalization of acquired software such as the "Smart Client" (CRM) and the website conversion.

Derivative financial instruments of KEUR 9,607 (December 31, 2020: KEUR 5,876) exclusively consist of embedded derivatives in senior secured notes (call) in the amount of KEUR 9,607 that have arisen in connection with the senior secured notes issued and have a positive fair value.

Current trade and other receivables rose by KEUR 8,564 to KEUR 60,987 compared to December 31, 2020. This increase in receivables is mainly due to receivables from signal delivery, transmission and feed-in charges.

The Group's debt from interest-bearing loans and senior secured notes amounted to KEUR 1,464,541 as at March 31, 2021 (December 31, 2020: KEUR 1,462,400). This corresponds to 73.9% (December 31, 2020: 73.7%) of total assets. For further details please refer to Section E.4.3 Financing structure and Section D.9 Liabilities to banks and from the bond issuance.

The slight decrease in other provisions of KEUR 88 is mainly due to the utilisation of restructuring and asset retirement provisions. In addition, other miscellaneous provisions were recognised. For further details, please refer to section D.8 Other provisions.

As at March 31, 2021, other current liabilities increased by KEUR 1,226 to KEUR 19,670. This is mainly due to the increase in VAT liabilities, which is partially offset by the decrease in personnel-related provisions. For further details, please refer to section D.10 Trade and other payables, other financial liabilities, other liabilities, accruals and deferrals (non-financial).

Non-current and current accruals and deferrals increased from KEUR 7,163 to KEUR 23,949. For further details, please refer to section D.10 Trade and other payables, other financial liabilities, other liabilities, accruals and deferrals (non-financial).

## E.4.3 FINANCING STRUCTURE

Lender	Borrower	Total in KEUR as of 30 Mar. 2021	Share	Total in KEUR as of 31 Dec. 2020	Share
Facility A2	TC AG	698,019	47.68%	699,276	48.83%
Senior Secured Notes - Bond	TC AG	652,287	44.55%	643,740	44.95%
Facility 75M	TC AG	73,060	5.01%	72,502	5.06%
Term Loan 40M	TC AG	38,271	2.61%	–	0.00%
Various	Diverse	2,419	0.17%	3,686	0.26%
Revolving Facility	TC AG	–	-0.02%	12,972	0.91%
<b>Gesamt</b>		<b>1,464,056</b>	<b>100%</b>	<b>1,432,176</b>	<b>100.00%</b>

The revolving facility of KEUR10,000 according to the Senior Facilities Agreement was not utilised during the reporting period.

The ownership interests in subsidiaries have been pledged as collateral for the Group's entire financing.

## E.4.4 FORECAST ADJUSTMENT REPORT

With regard to the forecast report of the Tele Columbus Group, reference is made to the explanations in the "Forecast Report" of the combined management report for the financial year 2020. The forecasts of the key financial and non-financial figures for the financial year 2021 described there are still considered to be accurate from the perspective of the Group's announcement as of March 31, 2021.

## E.4.5 RISK AND OPPORTUNITIES ADJUSTMENT REPORT

With regard to the risk report of Tele Columbus Group, please refer to the risk report in the Group management report for the financial year 2020.

The risks resulting from the COVID-19 pandemic presented in the Annual Report have so far had little impact on Tele Columbus' business situation.

At times, PŸUR stores were closed, which led to a decline in direct sales but also to an increase in sales in the digital sales channels. The networks also demonstrated a high level of resilience with regard to the increased capacity utilization that changed as a result of COVID-19. We are currently observing the increased availability of chips on the global market, which are also installed in our modems, among other things. If these limited availabilities do not stabilize in the short term, we will also have to assume corresponding restrictions. However, there is currently no acute danger.

Due to the very slow decline in the number of infections, we continue to see an increased risk situation with regard to the COVID-19 pandemic in the coming months. However, a longer-term risk assessment is subject to uncertainties, as it is currently not possible to make a precise assessment of the duration and impact of the COVID-19 crisis.

The Tele Columbus Group has a number of opportunities for the future, resulting in particular from the entry of a new investor and the Group's competitive strength. In this regard, reference is made to the explanations in the opportunities report of the Group management report for the financial year 2020.

## E.5 Events after the reporting date

Tele Columbus AG has successfully executed the rights offering resolved on April 17, 2021 and thus terminated the subscription offer. All offered shares were subscribed either on the basis of the exercise of subscription rights or due to the acquisition of unsubscribed shares by Kublai GmbH, the majority shareholder of the Company. The gross proceeds raised by the capital increase amounted to EUR 475 million. As announced, the inflow of funds will be used in particular to achieve a sustainable capital structure for the Company through the repayment of EUR 360 million in loan liabilities and the further implementation of the Fiber Champion strategy.

During the subscription period from April 27, 2021 to May 10, 2021, 139,411,373 new shares were subscribed based on the exercise of subscription rights. A further 6,698,514 shares, for which subscription rights were not exercised, were acquired by Kublai GmbH, the majority shareholder of the Company, pursuant to a backstop agreement dated December 21, 2020 between the Company and Kublai GmbH, which was concluded in connection with the public takeover offer by Kublai GmbH.

The capital increase was entered in the Company's commercial register on May 12, 2021 and thus became effective. The share capital of the Company was thus increased by EUR 146,109,887.00 from EUR 127,556,251.00 to EUR 273,666,138.00 through the issue of 146,109,887 new registered no-par value ordinary shares.

The new shares will be entitled to dividends as of January 1, 2021, while the existing shares of the Company will be entitled to dividends for the fiscal year starting January 1, 2020. The new shares will therefore initially have a different ISIN, WKN and ticker symbol than the existing shares. After the Annual General Meeting of the Company resolving on the distribution of dividends for the financial year ending December 31, 2020 (if any), which is currently scheduled for May 28, 2021, the new shares will have the same ISIN, WKN and ticker symbol as the existing shares.

The revolving credit facility in the amount of EUR 10 million that had not been drawn down as of the reporting date was terminated prematurely in May 2021. The original term would have ended in August 2022.

No other significant events have occurred after the reporting date.



## **IMPRINT**

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Berlin, May 2021

Management Board: Dr. Daniel Ritz (CEO), Eike Walters (CFO)

Chairman of the Supervisory Board: Dr. Volker Ruloff

Registered seat of the Company: Kaiserin-Augusta-Allee 108, 10553 Berlin, Germany

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### **Note**

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.). This Interim Statement is available in German and English. Both versions can also be downloaded from [www.telecolumbus.com/investor-relations/](http://www.telecolumbus.com/investor-relations/). In all cases of doubt, the German version shall prevail.

### **Disclaimer**

This Interim Statement contains certain forward-looking statements which reflect the current views of Tele Columbus AG's management with regard to future events. These forward looking statements are based on our currently valid plans, estimates and expectations. The forward-looking statements made in this Interim Statement are only based on those facts valid at the time when the statements were made. Such statements are subject to certain risks and uncertainties, as well as other factors which Tele Columbus often cannot influence but which might cause our actual results to be materially different from any future results expressed or implied by these statements. Such risks, uncertainties and other factors are described in detail in the Risk Report section of the Annual Reports of Tele Columbus AG. Tele Columbus does not intend to revise or update any forward-looking statements set out in this Interim Statement.