

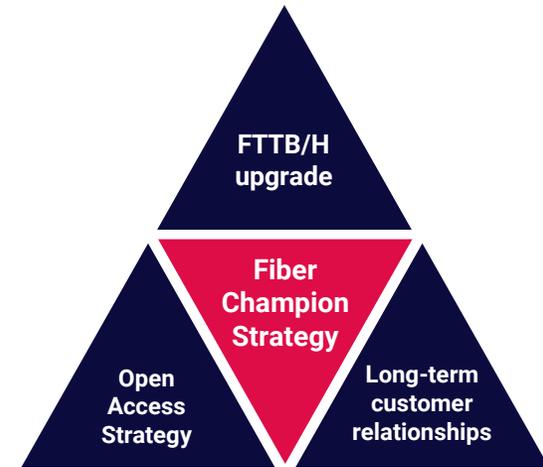


Extraordinary General Meeting | January 20th, 2021

Tele Columbus AG

Tele Columbus' path to a more sustainable capital structure for the implementation of the Fiber Champion strategy

- Development of the **Fiber Champion strategy** to achieve a **long-term sustainable positioning** in a highly dynamic broadband market
- The strategy **requires a significant amount of new capital** with a **total anticipated network investment of c. €2bn** over the next 10 years, resulting in negative cash flows over the course of the next years
- Announcement of the **public takeover offer by Morgan Stanley Infrastructure Partners ("MSIP")** creates the **opportunity** for Tele Columbus to **raise the capital needed** in order to **be able to execute the strategy**

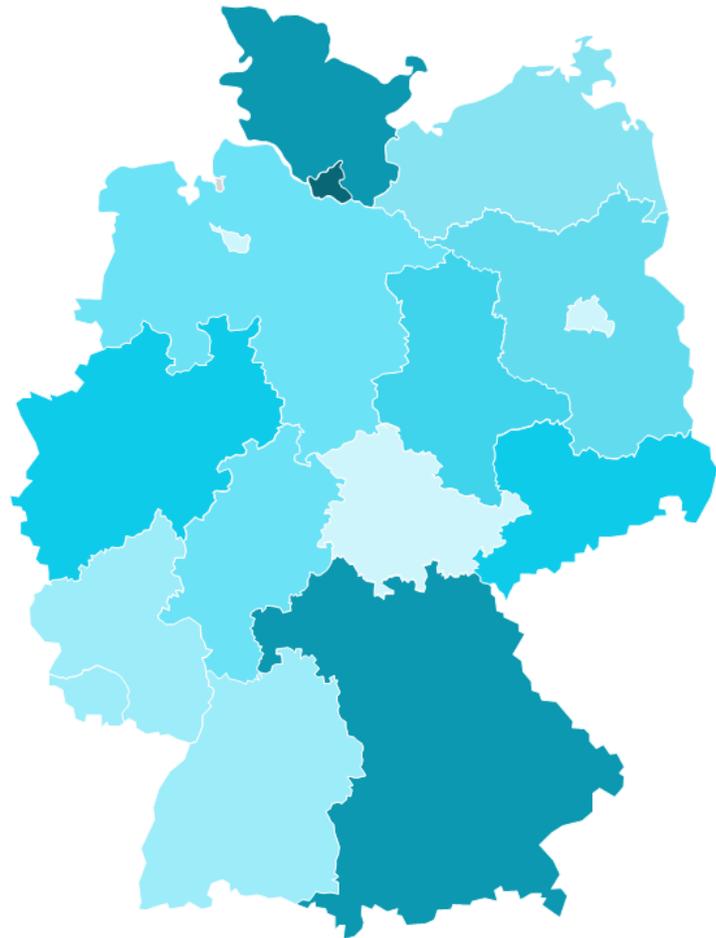


Definition of three pillar strategy

To achieve a **more sustainable capital structure** and **enable the further implementation of the Fiber Champion strategy**, the following prerequisites need to be met:

- - Shareholder approval for the €475m capital increase, which is backed by the BidCo up to the full amount upon successful completion of the transaction
 - Minimum acceptance threshold of 50%
 - Sufficient consent of bond and loan creditors to waive their Change-of-Control ("CoC") rights
 - Regulatory approvals
- Furthermore and upon successful completion of the transaction, bidder intends to inject **additional equity in the amount of €75m** in order to further support the implementation of the strategy

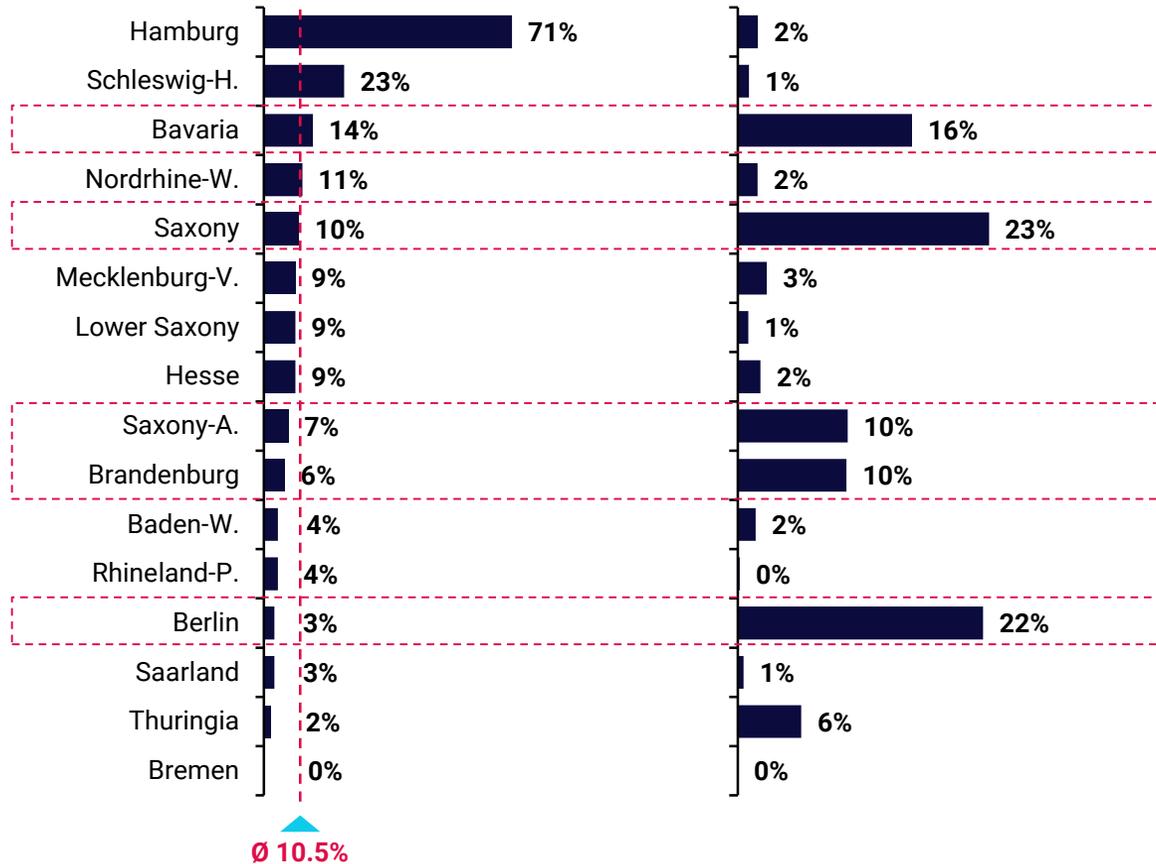
More than 80% of our two-way upgraded homes connected are located in five federal states with today each less than 15% FTTB/H coverage



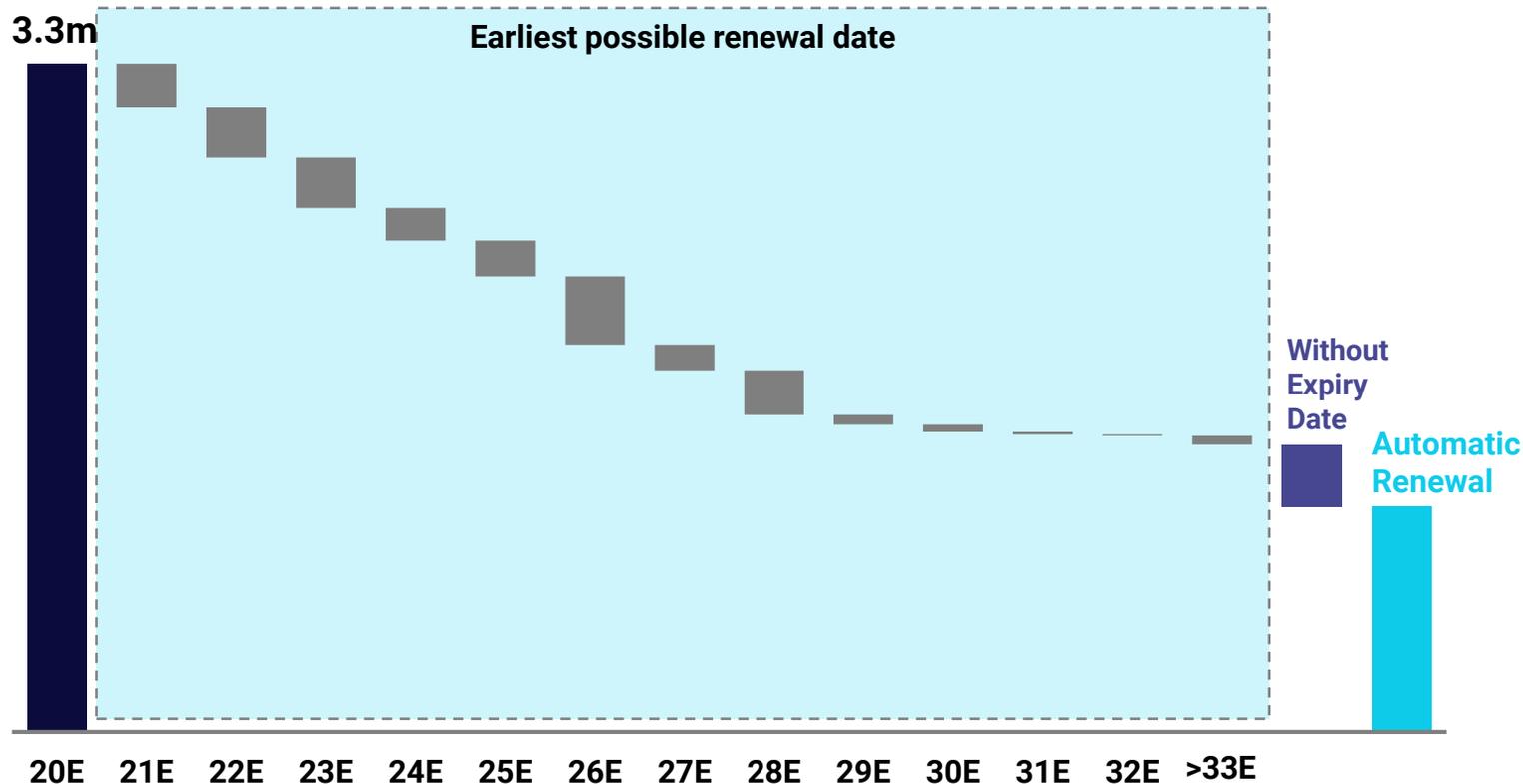
low → high : FTTB/H Coverage

% FTTB/H coverage by federal state¹

%-share of TC`s total TWU HC² by federal state



Growing demand by Housing Associations for fiber overbuild as basis for the Fiber Champion Strategy



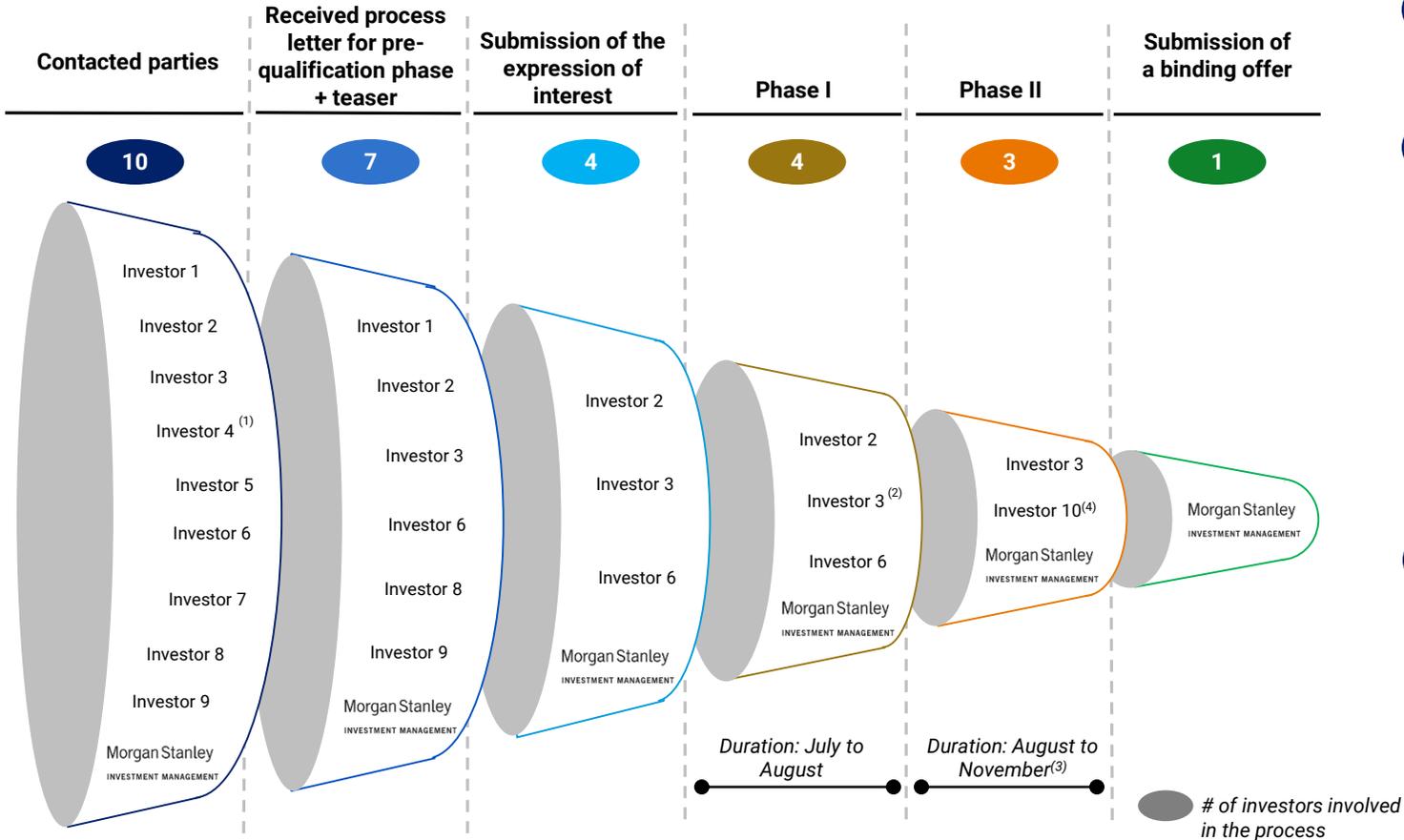
Sizeable overbuild project with a housing association

“WOGETRA eG Leipzig and Tele Columbus, a leading fibre network operator in Germany, agreed on prolonging their cooperation. [...] Tele Columbus will continue to provide high-speed Internet [...] to more than 7,000 households. [...] Moreover, all WOGETRA premises will be upgraded to FTTB (fibre to the building) with fibre connections directly into the buildings.”

Tele Columbus, 20 March 2020

Best financing option after running a structured process

Involved parties per process phase



● Thorough process of **evaluating multiple funding options**

● Ran a **structured process**

Reached agreement with **Morgan Stanley Infrastructure Partners ("MSIP")**, supported by **United Internet**, which, upon successful completion of the takeover, ...

- ...enables the implementation and execution of the Fiber Champion Strategy,
- and by reducing our net debt leads to a more sustainable capital structure.

Morgan Stanley
INVESTMENT MANAGEMENT



(1) Investor 4 proactively approached TC to indicate interest.

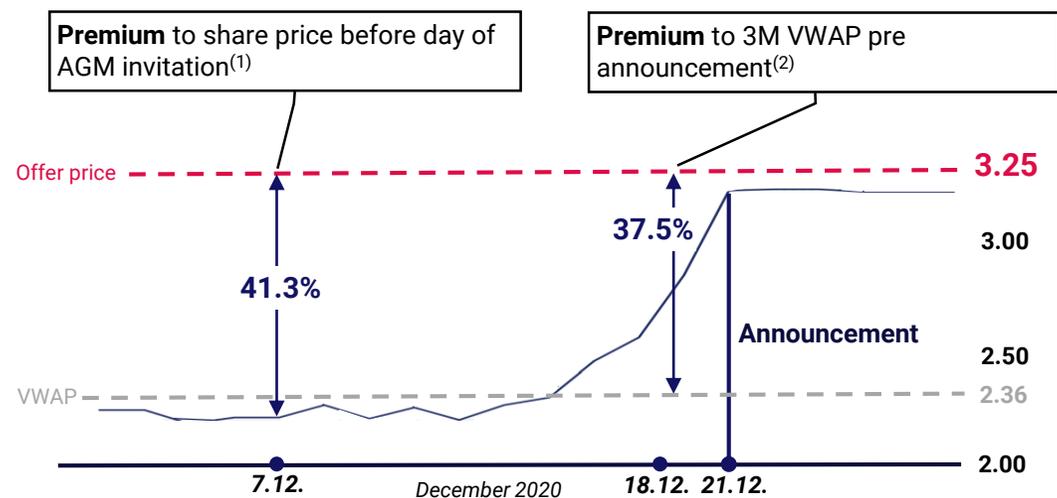
(2) Not submitting an NBO but submitting a reaffirmation of interest.

(3) In early September, another party had contacted BoFA to ask if a process is ongoing and if a teaser exists.

(4) By the end of October, investor 10 has expressed its interest to the company and was accepted to the process. The non-binding offer requested as of mid-November was not submitted.

Key transaction parameters

Public takeover offer to all shareholders of €3.25 per share



- Implied Equity Value: **€415m**
- Implied Enterprise Value⁽³⁾: **€1,834m**
 - EBITDA-Multiple (Q3-20 LTM): **8.1x⁽⁴⁾**

1) Refers to the share price as of 7-Dec 2020 (€2.30), the day prior to releasing the AGM invitation.

2) Source: Bloomberg, 3M VWAP of €2.36 (21-Sep 2020 to 18-Dec 2020).

3) Comprises Net Debt of €1,419m (per 30-Sep 2020).

4) Based on a Q3-20 LTM Reported EBITDA of €227m.

Key offer conditions:

- Minimum acceptance threshold of 50%
- Waivers by bond and loan creditors of termination rights due to change of control in sufficient numbers
- Regulatory approvals

Rocket Internet agreed to tender its shares into the takeover offer through an **irrevocable undertaking**

No DPLTA required

Following the settlement of the takeover offer, or at any future date, **BidCo and its shareholders may**, subject to market conditions, **seek to effect in coordination with the management board and the supervisory board of Tele Columbus a delisting** of Tele Columbus shares from trading on a regulated market

The Bidder guarantees the capital increase subject to successful completion of the offer → *Further information on the planned capital increase is provided on the following slides*

Attractive offer to shareholders vs. Tele Columbus stand-alone proposition

- Strategy requires **significant capital investment** with network investments of approx. €2bn over the next 10 years
- Very **long-term time horizon** required, **further capital injection** needed in the future as **cash flow will be negative** for years to come

Without the success of the takeover offer and the approval for the capital increase...

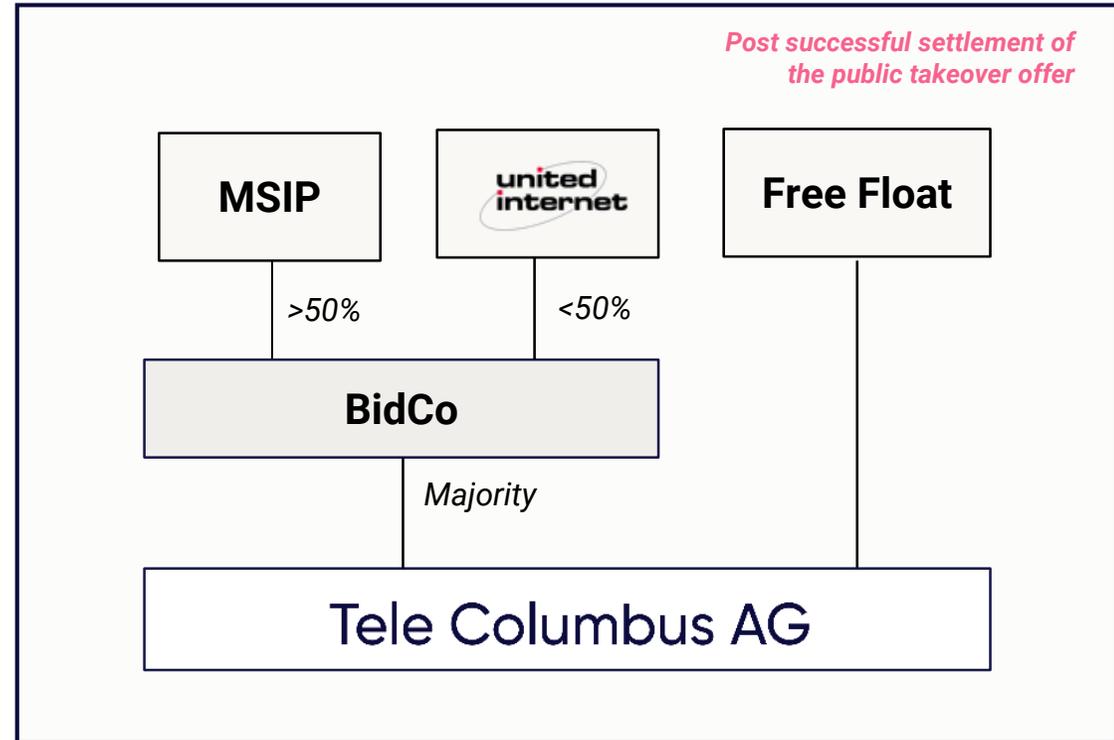
- - ... the strategy cannot be implemented together with a anchor shareholder
 - ... a negative development of the share price due to an uncertain capital increase at a much lower issuance price is likely
 - ... a positive future for Tele Columbus is uncertain

Attractive offer to shareholders vs. Tele Columbus stand-alone proposition, which requires significant new capital to fund the fiber roll-out

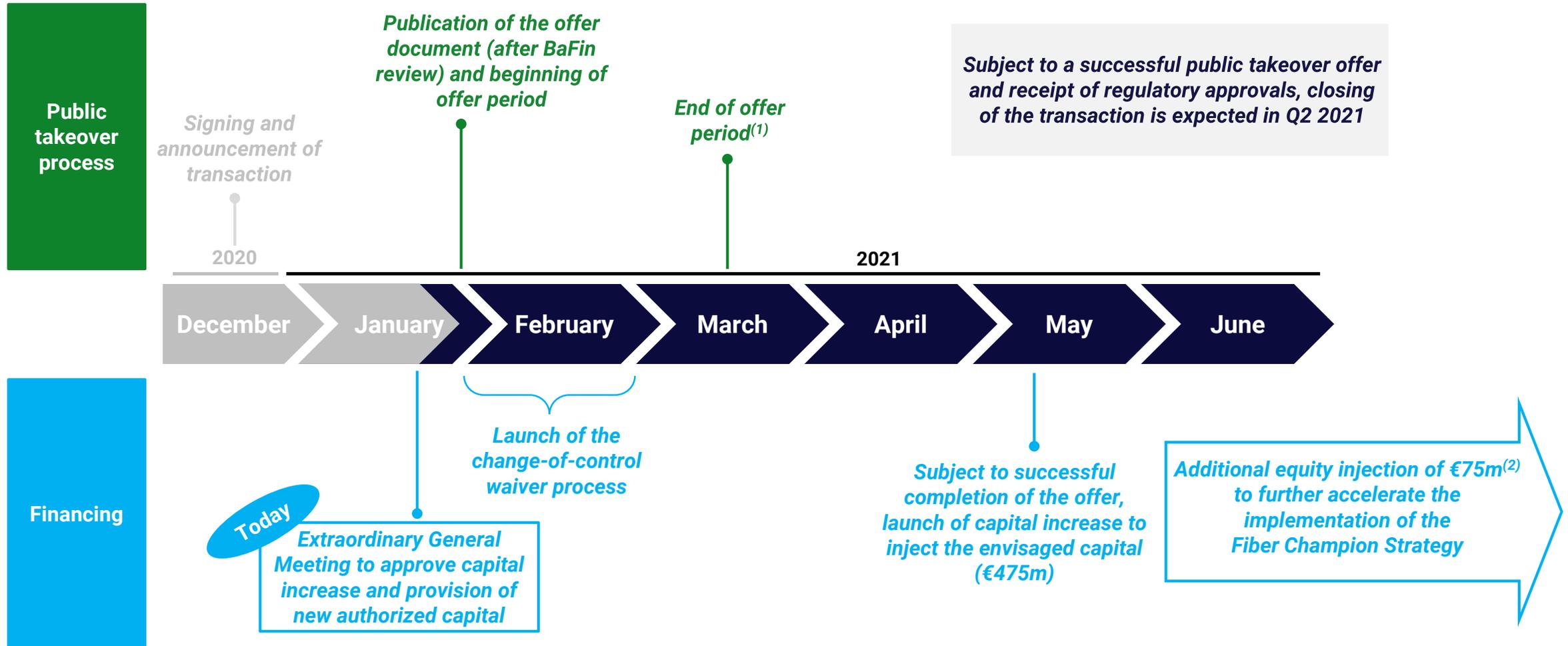
- Opportunity to sell shares at an attractive price of €3.25 per share
- No need to inject significant capital
- No dilution as a result of a capital increase
- Creating the opportunity for Tele Columbus to implement and execute the Fiber Champion strategy

Structure overview

- **BidCo to hold a majority stake** in Tele Columbus subject to successful takeover offer
- **MSIP as majority owner of BidCo to become new major shareholder** of Tele Columbus
- **United Internet will contribute minority interest of 29.9% to the BidCo** if takeover offer is successful



Key milestones and currently expected timeline



(1) In addition to the six-week acceptance period, there is a further legally required additional acceptance period of two weeks.

(2) Subject to successful completion of the takeover offer.

Resolutions on capital increase with subscription rights and authorized capital at the EGM

Resolution on **capital increase of €475m**, which shall be completed as soon as possible after the successful completion of the takeover offer. The additional capital will be used to...

- ...achieve a more sustainable capital structure, and
- To enable the further implementation of the Fiber Champion strategy

BidCo guarantees capital increase amount upon successful completion of the takeover offer: BidCo will subscribe to sufficient shares to ensure that the amount of €475m will be reached in any case (subject to the subscription rights of other shareholders)

Subscription price to be determined ahead of the capital increase, but will in **no case be higher than the offer price**

The resolution on the capital increase requires a **simple majority** of the capital represented at the time of the resolution

BidCo has agreed to provide **further equity in the amount of up to €75m⁽¹⁾** in order to support the future strategy implementation

The **Resolution on authorized capital** to be used for the subsequent capital injection **requires a qualified majority of 75% of the capital represented at the time of the resolution**

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