Combined report

of the Management Board of
Tele Columbus AG

and

the Managing Directors of
Tele Columbus Geschäftskunden Vertriebs GmbH

pursuant to Section 293a German Stock Corporation Act (*Aktiengesetz* - *AktG*)

on the conclusion and the content of a profit and loss transfer agreement to be concluded in 2019

I. Introduction

For the information of its shareholders and for the preparation of the resolution of the annual general meeting of Tele Columbus AG (hereinafter also referred to as "Tele Columbus" and "Parent") on 29 August 2019, the Management Board of Tele Columbus and the Managing Directors of Tele Columbus Geschäftskunden Vertriebs GmbH issue the following combined report pursuant to Sec. 293a AktG on the respective profit and loss transfer agreement to be concluded in 2019. The profit and loss transfer agreement to be concluded shall be presented to the annual general meeting of Tele Columbus on 29 August 2019 for its consent.

II. Conclusion and effective date of the profit and loss transfer agreement

Tele Columbus intends to conclude a profit and loss transfer agreement with Tele Columbus Geschäftskunden Vertriebs GmbH (hereinafter "TC Geschäftskunden Vertriebs GmbH" and "Subsidiary") as a Subsidiary in 2019 pursuant to Sec. 291 para. 1 sentence 1 alt. 2 AktG. The profit and loss transfer agreement will only become effective pursuant to Sec. 293 para. 1 and para. 2 AktG if both the shareholders' meeting of the Subsidiary as well as the annual general meeting of Tele Columbus give their consent. The Management Board and the Supervisory Board of Tele Columbus propose in the annual general meeting of Tele Columbus convened on 29 August 2019 to consent on the conclusion of the profit and loss transfer agreement. The profit and loss transfer agreement will only become effective pursuant to Sec. 294 para. 2 AktG upon registration into the commercial register (*Handelsregister*) at the registered seat of the Subsidiary.

III. Parties

1. Tele Columbus AG

Tele Columbus, as Parent and sole shareholder of TC Geschäftskunden Vertriebs GmbH and after registration the Subsidiary, is a publicly traded stock corporation under German law (*Aktiengesellschaft*). Tele Columbus has its registered seat in Berlin and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg under HRB 161349 B. The share capital of Tele Columbus amounts to EUR 127,556,251.00 and is divided into 127,556,251 no-par value registered shares. Tele Columbus is the parent company of the Tele Columbus Group and therefore holds directly and indirectly participations in the Subsidiary and in further subsidiaries in Germany.

The financial year of Tele Columbus is the calendar year.

Pursuant to the articles of association, the corporate purpose of Tele Columbus is (i) the acquisition, holding and administration and the disposal of participations as well as the assumption of personal liability and the management of trading companies as well as participations in companies of the same or similar kind; (ii) the provision of multimedia and telecommunication services and services connected with such; (iii) operations in the segments of television, telecommunications and multimedia (iv) the respective marketing and administration connected therewith and (v) the assumption of responsibility of employees in its own name and on its own account and not on behalf and/or on account of third parties.

Members of the Management Board of Tele Columbus are Timm Degenhardt (Chairman of the Management Board) and Eike Walters. Tele Columbus is legally represented by one member of the Management Board pursuant to Sec. 7 para. 1 of the articles of association if the Supervisory Board has granted the power of sole representation, otherwise by two members of the Management Board or by one member of the Management Board together with an authorized representative. Deputy members of the Management Board have the same authority to represent as regular members of the Management Board. Currently no member of the Management Board has been granted the power of sole representation.

2. Tele Columbus Geschäftskunden Vertriebs GmbH

TC Geschäftskunden Vertriebs GmbH is a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*). TC Geschäftskunden Vertriebs GmbH has its registered seat in Berlin and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg under HRB 207637 B. The share capital of TC Geschäftskunden Vertriebs GmbH amounts to EUR 25,000. The share capital has been fully paid in.

The financial year of TC Geschäftskunden Vertriebs GmbH is the calendar year.

Pursuant to the articles of association, the corporate purpose of TC Geschäftskunden Vertriebs GmbH is the direct or indirect provision of services within the segment of tele communications, in particular the commercialization of multimedia services (internet, TV, telephone), as well as the holding and management of participations in corporations and partnerships providing directly or indirectly services within the field of telecommunications, as long as such services are not within the scope of application of the German Banking Act (*Kreditwesengesetz*).

Sole shareholder of TC Geschäftskunden Vertriebs GmbH is Tele Columbus holding directly 100% of the shares in TC Geschäftskunden Vertriebs GmbH.

Managing directors of TC Geschäftskunden Vertriebs GmbH are Timm Degenhardt and Eike Walters. If only one managing director has been appointed, he shall represent the company alone. If several managing directors have been appointed, the company shall be represented by two managing directors jointly or by one managing director together with an authorized representative. Sole representation may be granted.

IV. Legal and economic reasons for the conclusion of the profit and loss transfer agreement

The profit and loss transfer agreement will be concluded in order to create a corporate-tax unit between Tele Columbus and the Subsidiary. With the profit and loss transfer agreement profits and losses of Tele Columbus and the Subsidiary can be offset and therefore the tax burden can be optimized. In addition, further tax benefits may occur. Profits are automatically transferred to Tele Columbus. Thus, the financing of the Tele Columbus Group can be optimized.

V. Description of the profit and loss transfer agreement

1. Transfer of profits

The Subsidiary commits itself to transfer its entire profit to the Parent for the term of the agreement pursuant to Sec. 1 of the profit and loss transfer agreement under due consideration of Sec. 301 AktG, as amended. The Subsidiary may allocate parts of its annual net income with the consent of the Parent - except for statutory reserves - in so far into the revenue reserves pursuant to Sec. 272 para. 3 German Commercial Code (*Handelsgesetzbuch* - HGB) as it is permissible under German commercial law and economically reasonable based on a reasonable business judgment. Other revenue reserves created during the term of the profit and loss transfer agreement are to be dissolved upon the request of the Parent and are used to compensate an annual net loss or loss carried forward or transferred as profit. A transfer of profits resulting from the dissolution of revenue reserves and profits carried forward which were created prior to the term of the profit and loss transfer agreement as well as capital reserves pursuant to Sec. 272 para. 2 HGB which were created prior to or during the term of the profit and loss transfer agreement is excluded.

2. Assumption of loss

In accordance with Sec. 2 of the profit and loss transfer agreement, Section 302 AktG, as amended, applies with regard to the assumption of loss by Tele Columbus. Consequently, Tele Columbus is obliged to balance out any annual deficit incurred during the term of the agreement, insofar as such deficit is not balanced out by a withdrawal of such amounts from the revenue reserves created during the time of the agreement.

3. Effectiveness, application

Sec. 4 of the profit and loss transfer agreement provides that the effectiveness of the profit and loss transfer agreement is subject to the consent of the shareholders' meeting of the Subsidiary as well as the annual general meeting of Tele Columbus. In addition, the profit and loss transfer agreement provides that the agreement only becomes effective for the financial year in which it was registered with the commercial register (*Handelsregister*) of the Subsidiary. The profit and loss transfer agreement has not yet been concluded.

4. Term, termination

Sec. 4 of the profit and loss transfer agreement contains provisions regarding the term and termination of the profit and loss transfer agreement. The profit and loss transfer agreement is concluded for a period of five years, calculated from the beginning of its validity. The profit and loss transfer agreement can be terminated with six months' prior written notice to the end of the financial year of the Subsidiary, at the earliest however to the end of the financial year of the Subsidiary following expiry of the minimum term of the formed corporate tax and trade tax group under this agreement (hereinafter: minimum term). If the five-year term ends during an ongoing financial year of the Subsidiary, the minimum term is prolonged until the end of that financial year. The agreement continues in existence for an unlimited term unless terminated with six months’ written notice considering the end of the minimum term mentioned above.

The notice of termination must be issued in writing. Furthermore, the profit and loss transfer agreement may be terminated for cause in writing without prior notice. Examples of such termination causes are in particular the termination rights for cause pursuant to tax law in the meaning of section R 14.5 (6) German Corporate Income Tax Rules 2015 (*Körperschaftsteuerrichtlinien - KStR*) or another relevant provision, applicable at the time of a termination with cause of this agreement.

5. Final provisions

Sec. 5.1 of the profit and loss transfer agreement provides that changes or amendments of the profit and loss transfer agreement are to be made in writing to be effective, unless notarization is required, and the consent of the shareholders' meeting of the Subsidiary and the annual general meeting of the Parent is required. The severability clause in Sec. 5.2 of the profit and loss transfer agreement ensures the effectiveness and practicability of the profit and loss transfer agreement in case individual provisions are void or not practicable. The parties obligated themselves to agree upon of clause instead of the invalid or void provision that comes closest to economic meaning of such invalid or void provision.

VI. No compensation or severance payment pursuant to Secs. 204, 305 AktG, no contract review

Tele Columbus will at the conclusion of the profit and loss transfer agreement hold 100% of the shares in the Subsidiary. As the Subsidiary does not have any other shareholders, appropriate compensation within the meaning of Sec. 304 AktG does not have to be specified in the profit and loss transfer agreement. Nor does, for this reason, a consideration have to be determined and or a valuation of the involved companies carried out to determine an adequate compensation and an adequate severance payment. As Tele Columbus will at the conclusion of the profit and loss transfer agreement directly hold all shares of the Subsidiary, a review of the profit and loss transfer agreement by an expert auditor pursuant to Sec. 293b AktG is not required.

Tele Columbus AG

Berlin, 11 July 2019

Timm Degenhardt Timm Degenhardt (Chairman of the Management Board)	*Eike Walters* Eike Walters (Management Board)

Tele Columbus Geschäftskunden Vertriebs GmbH

Berlin, 11 July 2019

Timm Degenhardt Timm Degenhardt (Managing Director)	*Eike Walters* Eike Walters (Managing Director)