Quarterly release of the quarter ended 30 September 2021

telecolumbus

Condensed consolidated interim financial statements for the first nine months of the year as at 30 September 2021

in accordance with the International Financial Reporting Standards as adopted by the European Union

pursuant to Section 37w of the German Securities Trading Act [WpHG]

for

Tele Columbus AG, Berlin

Content

Introduction

Tele Columbus AG, registered at Kaiserin-Augusta-Allee 108, 10553 Berlin, Germany (Berlin-Charlottenburg commercial register HRB 161349 B), together with its consolidated subsidiaries, forms the Tele Columbus Group (hereinafter also referred to as "Tele Columbus", or the "Group") as at September 30, 2021. Tele Columbus AG operates as a group holding company and is the Group's management and holding company, and therefore responsible for control of the entire Group. Consequently, Tele Columbus AG is responsible for the Group's strategic growth and the provision of services and financing to its affiliated companies.

1. Group profile

1.1 Group business model

1.1.1 General information

As at September 30, 2021, Tele Columbus AG held 42 directly or indirectly held subsidiaries, which are fully consolidated in the consolidated interim financial statements, as well as four other associates and one joint venture, which are accounted for using the equity method in the consolidated financial statements.

Please see the comments in Section **B** "**Changes in consolidation scope**" in the condensed notes to the consolidated interim financial statements.

Tele Columbus is one of the leading German fibre optic network operators reaching more than three million households in Germany. Under the PŸUR brand, the Group offers high-speed internet access as well as more than 200 TV channels on a digital entertainment platform which combines conventional television with video entertainment on demand. With its partners in the housing sector, the Group creates customised cooperation models and advanced value added digital network services such as telemetry and tenant portals. As full service partner for municipal and regional providers, Tele Columbus is a driving force in the expansion of fibre optic infrastructure and broadband networks. In the corporate customer segment, carrier services and corporate solutions are provided on the basis of own fibre optic networks. The Group's companies operate throughout Germany, with an especially strong market position in the eastern part of the country. About 38% of Tele Columbus's holdings are distributed across the remainder of Germany. Overall, the Group supplies nearly 9% of all German households via existing networks.

Tele Columbus offers its customers top-of-the-line high-performance access to TV services, telephone (fixed network) and fast internet. The range of services covers servicing, maintenance, supply of the mentioned products and services, customer care for connected customers and payment collection. In addition to the core business, services also include construction work relating to telephone and internet business as well as individual solutions for major customers.

The Group has its main sites in Berlin and Leipzig. Other locations include Hamburg, Chemnitz, Ratingen und Unterföhring.

The business model has not changed since December 31, 2020.

1.1.2 Operating segments

Products and services of Tele Columbus are divided into the two operating segments: "TV" and "Internet and Telephony".

The "TV" segment generated revenue of KEUR 176,868 in the third quarter of 2021 (third quarter of 2020: KEUR 182,228), which represents approx. 50.5% of total revenue in the third quarter of 2021 (third quarter of 2020: 51.1%).

The "Internet and Telephony" segment generated revenue of KEUR 126,719 in the third quarter of 2021 (third quarter of 2020: KEUR 122,497), which represents approx. 36.2% of total revenue in the third quarter of 2021 (third quarter of 2020: 34.3%).

The revenue not directly attributable to the two reported segments amounted to KEUR 46,703 (third quarter of 2020: KEUR 52,163).

1.2 Objectives and strategies

The goals and strategies of the Tele Columbus Group have not changed since the annual financial statements as at December 31, 2020. Please see the comments in the 2020 combined management report for more information.

Please see the comments in Section 2.2 “Business performance” for information on the key financial and non-financial indicators.

2. Economic report

2.1 General economic conditions and industry environment

Automn forecast 2021

According to the German federal government's autumn projection, gross domestic product (GDP) will rise by 2.6 % in 2021. In 2022, even 4.1 % growth is possible until growth normalises at 1.6 % in 2023.

According to the federal government, the economic situation is divided: On the one hand, the mood of service providers has improved strongly in recent months due to the progress of the vaccination. Private consumption is currently driving the economic recovery. On the other hand, the manufacturing sector is suffering from a historically unprecedented shortage of intermediate goods as the global economy picks up after the Corona crisis year of 2020. This is slowing down the industrial economy, especially in the third and fourth quarters of 2021, according to the German government. However, demand for German products on the world markets remains high. If the supply bottlenecks gradually ease, there will be significant catch-up effects in 2022.

From the Management Board's point of view, the general consumption trend has only a limited impact on consumer behaviour with regard to the products offered by Tele Columbus. In particular, because the majority of the population living in the areas served by Tele Columbus and whose properties are connected to the network already have Internet access and, in addition, fixed network-based Internet access is typically not a good that is consumed depending on overall economic developments.

Industry environment

With regard to the sector-specific conditions for Tele Columbus Group, please see the comments in the 2020 combined management report. There have been no significant changes in the first nine months of 2021 compared to the assessment in that report.

2.2 Business performance

After the 2020 focus was on achieving the planned revenues and the planned result even under the framework conditions of the Corona crisis, Tele Columbus was also able to record a continued stable business development in the first nine months of 2021, which was almost unaffected by the global pandemic, with the exception of the procurement processes. The development in the area of Internet & Telephony RGUs was particularly positive. In this area, the sales campaigns launched at the beginning of the year and a significant decrease in terminations helped to exceed the volume plan despite Corona.

The consequences of the Corona crisis, which became apparent in the 2nd quarter, continued in the 3rd quarter. In addition to the delay in the provision of larger infrastructure projects, there were delays in the decision-making process, especially with larger data centre customers, and some orders were postponed to the 4th quarter 2021 und following year. In a contrast to this, sales with housing industry businesses in the area of Smart Infoscreens could be expanded; here, two well-known customers could be won with the “WVH Heidenau” und “World of lockers Europe GmbH”.

Revenue for the first three quarters fell by 1.8% to KEUR 350,290 compared to the prior year, mainly due to the decline in revenue from construction services. Revenue in the "core business" remain largely unchanged (+0.2%) compared to the prior year.

The number of residential units connected to their own level 3 network and with return channel capability amounted to approx. 2,355,000 and is thus slightly lower compared to December 31, 2020 (-0.24%). Thus, their share of the total residential units connected as at September 30, 2021 remained constant at 7.2% compared to December 31, 2020.

The number of residential units connected to the cable networks of companies of Tele Columbus Group fell by 0.79% to 3.31 million compared to December 31, 2020.

As at September 30, 2021, the customer basis of the Tele Columbus Group decreased by 46,500 to 2.18 million compared to December 31, 2020.

As at September 30, 2021, the total number of RGUs dropped by 24,300 to 3.69 million compared to December 31, 2020.

RGUs for cable TV decrease by 58,100 to 2.08 million as at September 30, 2021 compared to December 31, 2020, while premium TV services increase slightly by approximately 2,300 RGUs. The average number of products (RGUs) per customer remains essentially unchanged at 1.69 as of September 30, 2021.

RGUs for internet services increased by 2.3% to approx. 616,000 as at September 30, 2021 compared to December 31, 2020. RGUs for telephone services have climbed 2.9% to approx. 452,000.

2.3 Assets, liabilities, financial position and financial performance

2.3.1 Financial performance

Income situation in KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Revenue	350,290	356,888
Own work capitalized	17,554	17,300
Other income	8,172	5,245
Total operating income	**376,016**	**379,433**
Cost of materials	−106,984	−114,487
Employee benefits	−62,864	−59,019
Other expenses	−53,184	−38,235
EBITDA	**152,984**	**167,692**
Non-recurring expenses (net)	21,801	9,688
Normalised EBITDA	174,785	**177,380**
EBITDA	152,984	**167,692**
Net finance income/costs	−55,350	−53,310
Depreciation and amortisation	−152,508	−149,670
Income tax	5,981	1,833
Net loss	**−48,893**	**−33,455**

Revenue in the third quarter of 2021 amounted to KEUR 350,290, 1.8% down on the 2020 reporting period. The change resulted mainly from the lower revenue from construction service business, which declined by KEUR 7,460, and from a KEUR 6,323 drop in TV revenue. This decline was partially offset by higher Internet & Telephony revenues (+KEUR 3,417), higher business customer revenue (+KEUR 1,906) and higher revenues to programme providers (+KEUR 1,289).

Own work capitalised was KEUR 17,554 in the first nine months of 2021, an increase of 1.5% compared to the prior year (KEUR 17,300).

Other income increased from KEUR 5,245 to KEUR 8,172. This resulted mainly from one-off effects due to the derecognition of customer liabilities from previous periods.

Total operating income, defined as the sum of revenue, other income and own work capitalised, declined in the reporting period by 0.9% to KEUR 376,016.

Compared with the prior-year period, the cost of materials declined by 6.6% to KEUR 106,984 in the period from January to September 2021. The decline resulted mainly from lower expenses for construction services, which fell by KEUR 7,460 in line with the decline in revenue from this business area.

In addition, there were positive effects from the signal costs of KEUR 1,777 which are mainly due to the capitalisation of costs for network leases. However, higher direct costs were incurred in the comparable period in the area of material costs (KEUR 1,010) and outsourced distribution costs (KEUR 1,019). This is mainly due to the low level of these expenses in 2020 caused by the pandemic.

Personnel expenses amounted to KEUR 62,864, which was just slightly (6.5%) higher than the prior-year period and are due to an increase in the number of employees.

Other expenses amounted to KEUR 53,184 in the first nine months of 2021. The increase of TEUR 14,949 is mainly due to higher expenses for legal and consulting fees, which were incurred in the course of the equity transaction. Positive effects of KEUR 739 resulted in the area of general administrative overheads, rental expenses of KEUR 746 and reversal of allowance for KEUR 3,659.

EBITDA amounted to KEUR 152,984 in the period from January to September 2021 amounted to TEUR 152,984 and decreased by KEUR 14,708 compared to the prior year due to the factors described above.

Compared to the frist three quarters of the previous year, "Normalised EBITDA" fell slightly from KEUR 177,380 to KEUR 174,785. The operating margin (defined as the ratio of normalised EBITDA to revenue) remained largely stable at 49.9% in the reporting period (first three quarters of 2020: 49.7%). Non-recurring expenses and income amounted to KEUR 21,801 in the first nine months period of 2021 (nine months period of 2020: KEUR 9,688). The increase in non-recurring expenses mainly results from legal and consulting fees incurred in the reporting period in connection with the equity transaction.

The negative financial result deteriorated to KEUR 55,350 (first nine months of 2020: KEUR 53,310).

Tax income of KEUR 5,981 (first nine months of 2020: tax expense of KEUR 1,833) comprises current income tax expenses of KEUR 3,082 (first nine months of 2020: KEUR 3,866) and deferred tax income from valuation differences in the amount of KEUR 9,063 (first nine months of 2020: deferred tax expenses of KEUR 5,699).

The first nine months of 2021 closed with a loss of KEUR -48,893 (first nine months of 2020: loss of KEUR 33,455).

2.3.2 Financial performance by segment

Operating activities are divided into two segments. The following table provides an overview of revenue in the first three quarters of 2021 and of 2020:

Revenue by segment in KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Revenue TV segment	176,868	182,228
Revenue Internet and Telephony segment	126,719	122,497
Total revenue (without combined segment "Other")	**303,587**	**304,725**

Revenue from the "TV" segment declined by 2.9% to KEUR 176,868 compared to the prior year. This drop of KEUR 5,360 compared to the prior-year period resulted mainly from the decline in cable TV RGUs.

Revenue in the “Internet and Telephony” segment increased by -3.4% year-on-year to KEUR 126,719. The rise was mainly due to an increase in IP RGUs and the sale of higher-value products.

Result in KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Normalised EBITDA		
TV segment	99,223	103,169
Internet and telephony segment	91,844	89,563
Non-recurring expenses (-) / income (+)		
TV segment	−2,431	−714
Internet and telephony segment	−1,817	−775
EBITDA		
TV segment	96,792	102,455
Internet and telephony segment	90,027	88,788

2.3.3 Financial position and liquidity

CASH FLOW

COMPARISON OF THIRD QUARTER AS AT 30 SEPTEMBER 2021 WITH THIRD QUARTER ENDED 30 SEPTEMBER 2020

The Tele Columbus Group generated a positive operating cash flow of KEUR 140,385 (first nine months of 2020: KEUR 160,177).

The negative cash flow from investing activities in the amount of KEUR -79,128 (first nine months of 2020: KEUR -75,281) was more than offset by the positive cash flow from financing activities in the amount of KEUR 31,798 (first nine months of 2020: KEUR -39,213), so that cash and cash equivalents as of September 30, 2021 increased by a total of KEUR 93,055 (after taking into account the change in restricted cash of KEUR 19) compared with December 31, 2020. The main reason for the increase was the capital increase of KEUR 471,945 (after deduction of transaction costs), which was reduced by the early repayment of borrowings (KEUR 360,289).

While interest payments of KEUR 39,956 were incurred in the comparative period, interest payments increased to KEUR 43,765 in the first nine months of 2021.

The Group has concluded various lease agreements for the rental of local and regional transmission lines (fiber leases), buildings and premises to serve customers. These have been classified as "Leases" in accordance with IFRS 16. In the first nine months of the 2021 financial year, the repayment of lease liabilities resulted in payments of KEUR 27,004 (first nine months 2020: KEUR 20,045) and lease payments in connection with the operation of the infrastructure network in the district of Plön of KEUR 2,233 (first nine months 2020: KEUR 1,012).

In the first nine months of 2021, Tele Columbus invested mainly in its own network, the connection of newly acquired properties and the upgrade of existing customers.

Interest on loans and borrowings was covered through cash.

CAPITAL STRUCTURE AS AT SEPTEMBER 30, 2020 COMPARED TO DECEMBER 31, 2020

Lender	Borrower	Total in KEUR as of 30 Sep. 2021	Share	Total in KEUR as of 31 Dec. 2020	Share
Facility A3	TC AG	459,800	41.23%	702,595	48.04%
Senior Secured Notes - Bond	TC AG	653,220	58.58%	645,531	44.14%
Facility 75M	TC AG	–	0.00%	73,236	5.01%
Term Loan 40M	TC AG	–	0.00%	38,469	2.63%
Various	Diverse	2,130	0.19%	2,569	0.18%
Total		**1,115,150**	**100.00%**	**1,462,400**	**100.00%**

With regard to the maturities of loans, transaction costs and liabilities relating to embedded derivatives, please refer to the notes in Section D.14 "Liabilities to banks and due to the senior secured notes" of the consolidated interim financial statements.

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

2.3.4 Assets and liabilities as at September 30, 2021 compared to december 31, 2020

Property, plant and equipment decreased by KEUR 17,368 to KEUR 695,295 compared to December 31, 2020. Properties and buidlings amount to KEUR 25,861

(December 31, 2020: KEUR 28,458); plant and equipment to KEUR 543,278 (December 31, 2020: KEUR 575,607); other, operating and office equipment to KEUR 19,681 (December 31, 2020: KEUR 21,332).

The decrease is mainly due to depreciation of KEUR 97,417, which is offset by the effect of additions of KEUR 83,258. The additions result mainly from the own investments and also from the capitalisation of property, plant and equipment classified as leases in accordance with IFRS 16.

Construction in progress increased by KEUR 19,208 to KEUR 106,474 as a result of commenced investment projects.

Intangible assets with a carrying amount of KEUR 1,084,320 (December 31, 2020: KEUR 1,117,462) comprise goodwill of KEUR 886,160 (December 31, 2020: KEUR 889,660), customer bases of KEUR 67,719 (December 31, 2020: KEUR 91,569), commissions as capitalised expenses for the acquisition of new customers of KEUR 30,906 (December 31, 2020: KEUR 32,753) and other intangible assets of KEUR 99,535 (December 31, 2020: KEUR 103,480).

Intangible assets and goodwill fell by KEUR 33,142 compared to December 31, 2020. This change can be explained by the negative effect of the amortisation of KEUR 55,092, which was partly compensated by the addition of intangible assets for KEUR 24,158 (mainly customer commissions).

In addition, an amount of KEUR 3,500 related to goodwill has been reclassified to "assets held for sale".

Current trade receivables and other receivables increased by KEUR 9,285 to KEUR 61,708, compared to December 31, 2020. The rise in receivables is mainly attributable to the rise in trade receivables from operating activities.

With regard to movements in cash and cash equivalents, please refer to the explanatory notes in Section 2.3.3 “Financial position and liquidity”.

The current prepaid expenses amount to KEUR 6,574 (December 31, 2020: KEUR 5,127) and mainly consist of payments in connection with maintenance contracts and insurance. The increase relative to December 31, 2020 results mainly from advance payments for financial year 2021, which were accordingly subject to interim deferral.

As at September 30, 2021, the Group's consolidated equity amounted to KEUR 553,439 (December 31, 2020: KEUR 131,500). The change results mainly from the capital increase for the third quarter of 2021. In addition, dividends of KEUR 1,667 were distributed to minority shareholders.

The Group's liabilities from interest-bearing loans and senior secured loans amounted to KEUR 1,115,150 as at September 30, 2021 (December 31, 2020: KEUR 1,462,400). This corresponds to 54.6 % (December 31, 2020: 73.7 %) of total assets. For more details please see the capital structure (Section 2.3.3 “Financial position and liquidity”) and the consolidated interim financial statements (Section D.15 "Liabilities to banks and from the bond issuance").

3. Subsequent events

Please refer to the notes to the condensed consolidated financial statements for significant events that occurred after the end of the reporting period.

4. Forecast adjustment report

In the Forecast Report of the Group Management Report 2020, the Management Board forecast revenues between EUR 465 million and EUR 475 million, Reported EBITDA between EUR 215 million and EUR 230 million, and Capex between EUR 145 million and EUR 155 million for the financial year 2021.

On August 25, 2021, the management board presented a revised budget for financial year 2021 to the supervisory board, which was approved by the supervisory board on the same day. This was done on the basis of the improved capitalization of the Company and discussions with the Company's newly elected supervisory board in relation to the launch of the Fibre Champion strategy. As a result, the Company's management board will now accelerate investments into fibre network upgrades and the business starting immediately.

As a result, the management board updates its outlook for the financial year 2021as follows:

- Total revenues of EUR 465 – 475 million
- Reported EBITDA of EUR 190 – 200 million
- Capex of EUR 185 – 195 million

Regarding the adjustment of the forecast, we refer to the events after the reporting date in the notes to the consolidated financial statements.

5. Risk adjustment report

With regard to the Group risk adjustment report, please refer to the explanations in section 6 "Risk report" of the combined management report for the 2020 financial year.

With the takeover by Kublai GmbH and the subsequent capital increase in the third quarter of 2021, it was possible to significantly reduce the liquidity risk mentioned in the annual report in the chapter on financial risks. The liquid funds injected with the capital increase habe been already be used in part to repay debt, and the other part is intended for the implementation of the Fiber Champion strategy.

The risks resulting from the CoVid-19 pandemic presented in the Annual Report 2020 have so far had little impact on Tele Columbus' business situation.

6. Opportunities adjustment report

Tele Columbus has a number of opportunities in future, especially due to the Group's strong competitive position. We refer in this regard to the comments in Section 7 'Opportunities' of the combined management report for financial year 2020.

Content

Consolidated income statement

KEUR	Note	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Revenue	D.1	350,290	356,888
Own work capitalised	D.2	17,554	17,300
Other income	D.3	8,172	5,245
Total operating income		*376,016*	*379,433*
Cost of materials	D.4	−106,984	−114,487
Employee benefits		−62,864	−59,019
Other expenses	D.5	−53,184	−38,235
EBITDA		**152,984**	**167,692**
Depreciation/amortisation and impairment		−152,508	−149,670
EBIT		**476**	**18,022**
Equity method income (+) / loss (-)		10	−21
Interest income and similar income	D.6	166	79
Interest expense and similar expense	D.6	−67,915	−47,224
Other financial income (+) / loss (-)	D.7	12,389	−6,144
Profit (+) / Loss (-) before tax		*−54,874*	*−35,288*
Income taxes	D.8	5,981	1,833
Net loss		**−48,893**	**−33,455**
attributable to shareholders of Tele Columbus AG		−50,456	−35,175
attributable to non-controlling interests		1,563	1,720

The following notes are an integral component of the condensed interim consolidated financial statements.
EBITDA and EBIT 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. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Net loss	*−48,893*	*−33,455*
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of gains (+)/ losses (-) on defined benefit plans (after deferred of taxes)	–	–
Other comprehensive income	**–**	**–**
Total comprehensive income	**−48,893**	**−33,455**
of which attributable to:		
Shareholders of Tele Columbus AG	*−50,456*	*−35,175*
Non-controlling interests	1,563	1,720

The following notes are an integral component of the condensed interim consolidated financial statements

Consolidated statement of financial position

KEUR	Note	30 September 2021	31 December 2020
Non-current assets			
Property, plant, and equipment	D.10	695,295	712,663
Intangible assets	D.11	1,084,320	1,117,462
Investments accounted for using the equity method		439	441
Trade and other receivables	D.12	6	6
Other assets	D.12	10	4
Other financial receivables	D.12	4,551	3,517
Accruals and deferrals (non-financial)	D.12	2,007	2,402
Deferred tax assets		–	137
Derivative financial instruments		5,985	5,876
		1,792,613	**1,842,508**
Current assets			
Inventories		3,838	5,451
Trade and other receivables	D.12	61,708	52,423
Receivables from related parties	E.2	222	250
Other financial receivables	D.12	8,115	6,711
Other assets	D.12	6,362	7,882
Current tax assets		2,987	2,674
Cash and cash equivalents		154,926	61,890
Accruals and deferrals (non-financial)	D.12	6,574	5,127
Assets held for sale	D.9	4,114	–
		248,846	**142,408**
Total assets		**2,041,459**	**1,984,916**

The following notes are an integral component of the condensed interim consolidated financial statements

KEUR	Anhang	30 September 2021	31 December 2020
Equity			
Share Capital	D.13	273,666	127,556
Capital reserve	D.13	946,674	620,838
Other components of equity		−677,012	−627,109
Equity attributable to shareholders of Tele Columbus AG		*543,328*	*121,285*
Non-controlling interests		10,111	10,215
		553,439	**131,500**
Non-current liabilities			
Pensions and other long-term employee benefits		10,207	10,241
Other provisions	D.14	2,166	2,393
Liabilities to banks and from the bond issuance	D.15	1,104,108	1,447,867
Trade and other payables	D.16	46	46
Other liabilities	D.16	–	681
Other financial liabilities	D.16	44,772	45,493
Lease liabilities	E.1	135,261	139,667
Accruals and deferrals (non-financial)	D.16	3,518	3,874
Deferred tax liabilities		9,190	18,390
Derivative financial instruments		473	11,165
		1,309,741	**1,679,818**

Current liabilities			
Other provisions	D.14	15,286	14,077
Liabilities to banks and from the bond issuance	D.15	11,042	14,533
Trade and other payables	D.16	66,383	71,830
Payables due to related parties	E.2	531	818
Other liabilities	D.16	20,003	18,761
Other financial liabilities	D.16	9,476	10,286
Lease liabilities	E.1	31,119	29,469
Income tax liabilities		9,746	9,318
Accruals and deferrals (non-financial)	D.16	14,434	4,506
Liabilities held for sale	D.9	259	–
		178,279	**173,598**
Total equity and liabilities		**2,041,459**	**1,984,916**

The following notes are an integral component of the condensed interim consolidated financial statements

Consolidated statement of cash flows

KEUR	Note	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Cash flow from operating activities			
Net loss		*−48,893*	*−33,455*
Net financial income or expense	D.6 / D.7	55,360	53,289
Income taxes	D.8	−5,981	−1,833
Equity method income/loss		−10	21
Earnings before interest and taxes (EBIT)		*476*	*18,022*
Depreciation and amortisation		152,508	149,670
Equity-settled share-based employee benefits		553	299
Loss (+) / gain (-) on sale of property, plant, and equipment		−1,564	−707
Increase (-) / decrease (+) in:			
Inventories		1,613	−1,148
Trade and other receivables (including contract assets) and other assets not classified as investing or financing activities	D.12	−10,542	14,348
Accruals and deferrals (non-financial)	D.12	−1,054	−3,301
Increase (+) / decrease (-) in:			
Trade payables and other liabilities not classified as investing or financing activities	D.16	−14,249	−21,603
Provisions	D.14	947	−1,120
Accruals and deferrals (non-financial) including contract liabilities	D.16	9,589	7,163
Income tax paid		2,108	−1,446
Cash flow from operating activities		**140,385**	**160,177**

KEUR	Note	1 Jan. bis 30 Sep. 2021	1 Jan. bis 30 Sep. 2020
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1,436	542
Acquisition of property, plant and equipment		−58,219	−49,911
Acquisition of intangible assets		−22,511	−25,927
Interest received		166	15
Cash flow from investing activities		**−79,128**	**−75,281**
Cash flow from financing activities			
Proceeds from the issue of shares and other equity instruments		474,857	–
Transaction costs with regard to the capital increase		−2,912	–
Payment of financial lease liabilities and service concession liabilities		−27,004	−21,057
Dividends paid		−1,666	−1,593
Proceeds from loans, bonds and short or long-term borrowings from banks		–	40,000
Transaction costs with regard to loans and borrowings		−7,404	−2,391
Repayment of short or long-term borrowings		−360,308	−14,211
Interest paid		−43,765	−39,956
Acquisition of non-controlling interests		–	−5
Cash flow from financing activities		**31,798**	**−39,213**
Cash and cash equivalents at the end of the period			
Net increase (+) / decrease (-) in cash and cash equivalents		93,055	45,683
Cash and cash equivalents at the beginning of the period		61,890	10,128
Cash and cash equivalents at the end of the period		**154,945**	**55,811**
Increase (+) / decrease (-) from release of restricted cash and cash equivalents during the period		−19	−107
Free cash and cash equivalents at the end of the period		**154,926**	**55,704**

The following notes are an integral component of the condensed interim consolidated financial statements

Consolidated statement of changes in equity

For the first nine months 2021

KEUR	Share capital	Capital reserve	Other changes in equity	Retained earnings	Revaluation reserve IAS 19	Equity attributable to share-holders of Tele Columbus AG	Non-controlling interests	Total equity
Balance at 1 January 2021	**127,556**	**620,838**	**−111,871**	**−513,443**	**−1,795**	**121,285**	**10,215**	**131,500**
Profit (+) / loss (−)	–	–	–	−50,456	–	−50,456	1,563	−48,893
Total comprehensive income	**–**	**–**	**–**	**−50,456**	**–**	**−50,456**	**1,563**	**−48,893**
Dividends	–	–	–	–	–	–	−1,667	−1,667
Capital increase	146,110	325,836	–	–	–	471,946	–	471,946
Equity settled share-based employee benefits	–	–	553	–	–	553	–	553
Stand 30 September 2021	**273,666**	**946,674**	**−111,318**	**−563,899**	**−1,795**	**543,328**	**10,111**	**553,439**

For the first nine months 2020

KEUR	Share capital	Capital reserve	Other changes in equity	Retained earnings	Revaluation reserve IAS 19	Equity attributable to share-holders of Tele Columbus AG	Non-controlling interests	Total equity
Balance at 1 January 2020	**127,556**	**620,838**	**−112,345**	**−325,275**	**−1,893**	**308,881**	**9,697**	**318,578**
Profit (+) / loss (−)	–	–	–	−35,175	–	−35,175	1,720	−33,455
Other comprehensive income (+)/(−)	–	–	–	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**−35,175**	**–**	**−35,175**	**1,720**	**−33,455**
Dividends	–	–	–	–	–	–	−1,593	−1,593
Changes in non-controlling interests	–	–	–	–	–	–	−5	−5
Other changes	–	–	–	–	–	–	3	3
Equity settled share-based employee benefits	–	–	299	–	–	299	–	299
Stand 30 September 2020	**127,556**	**620,838**	**−112,046**	**−360,450**	**−1,893**	**274,006**	**9,822**	**283,828**

The following notes are an integral component of the condensed interim consolidated financial statements.

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), was listed on the Frankfurt Stock Exchange (Prime Standard) since January 23, 2015. The admission was revoked as of September 8, 2021.

A.2. Description of operating activities

The companies of the Tele Columbus Group are fibre-optic network operators operating primarily in the eastern German federal states. The Group’s core business is operating and managing broadband cable equipment, in some cases using own satellite receiving equipment for providing residential apartment complexes of various housing companies and their tenants with television and radio signals, internet as well as telephony services. Operation of the equipment includes servicing, maintenance, customer care and collection. In addition to operating cable networks, the companies of Tele Columbus Group also offer B2B and construction services. Their B2B business comprises products to provide carrier companies with bandwidth services and business client networking, products to provide business clients with internet and telephony in addition to network monitoring and data centre marketing. Construction services include the installation of fibre optic networks or connecting residential areas to its own backbone.

A.3. Basis of accounting for the consolidated interim financial statements

The condensed consolidated interim financial statements of Tele Columbus Group as at 30 June 2021 present the assets, liabilities, financial position and financial performance of Tele Columbus AG and its consolidated entities. Gains and losses are presented for the period from 1 January 2021 to 30 September 2021 and the comparative period from 1 January 2020 to 30 September 2020. For assets, liabilities and financial position as at 30 June 2021, the comparative reporting date is 31 December 2020.

The condensed consolidated interim financial statements of the companies of Tele Columbus Group as at 30 September 2021 have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 on a condensed basis as compared to year-end reporting as at 31 December 2020. Thus, these consolidated interim financial statements are to be considered in relation to the consolidated financial statements as at 31 December 2020. The International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) have been applied.

The condensed consolidated interim financial statements comprise the consolidated income statement, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and the condensed notes to the consolidated financial statements.

The Group's functional currency is the euro. Unless otherwise stated, all figures are presented in thousands of euros (KEUR). Because amounts are disclosed in thousands of euros, there may be rounding differences. In some cases, such rounded amounts and percentages may not correspond 100% to the stated sums when added together, and subtotals in tables may differ slightly from non-rounded figures in other sections of the consolidated interim financial statements due to standard commercial rounding.

In respect of financial data included in the consolidated interim financial statements, a dash ("—") means that the relevant item is not applicable, whereas a zero ("0") means that the relevant number has been rounded to or equals zero.

The condensed consolidated interim financial statements have been prepared under the going concern assumption.

The condensed consolidated interim financial statements were prepared by Tele Columbus AG's Management Board in Berlin on November 11, 2021.

B. Changes in consolidation scope

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

Mergers

With entry in the commercial register on February 25, 2021, 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 March 31, 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

C.1. Significant estimation uncertainty

The preparation of the consolidated interim financial statements in accordance with IFRS requires assessments, estimates and assumptions that have a direct effect on the application of accounting policies and the reported amounts of assets and liabilities, the contingent assets and liabilities presented on the reporting date and the revenue and expenses recognised during the reporting period. Although management has formulated the estimates to the best of their knowledge as well as taken the most recent results into consideration, the actual results may differ.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to estimates are recognised in the period in which they occur, and prospectively in future relevant periods.

There have been no significant changes as compared to the consolidated financial statements as at December 31, 2020 regarding any significant judgements and assumptions made by management or in estimation uncertainty.

C.2. Significant accounting policies

The same accounting policies are used in the condensed consolidated interim financial statements as at September 30, 2021 as compared to the consolidated financial statements as at December 31, 2020.

There have been no significant changes to any significant judgements and assumptions made by management or in estimation uncertainty in the half-year period to September 30, 2021 as compared to the consolidated financial statements as at December 31, 2020.

C.3. Compliance with IFRS

In the condensed consolidated interim financial statements, the Tele Columbus Group has applied all IFRSs and IFRIC interpretations adopted by the EU that are effective for financial years commencing on or after January 1, 2021.

The following accounting standards and interpretations were thus adopted for the first time in these financial statements:

Standard/ Interpretations		Effective as at
Amendments to IFRS 16	CoVid-19-Related Rent Concession	1 January 2020
Amendments IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform	1 January 2021

The afore mentioned accounting standards do not have any impact on the accounting of the Tele Columbus Group.

The following table shows the main new or revised standards (IAS/IFRS) or interpretations (IFRIC) that are not yet mandatory, and their effects on the Group. The effective date refers to the effective date as specified in the EU endorsement – unless otherwise stated:

Standard/ Interpretations		Effective as at[1]
Amendments to IAS 1	Classification of Liabilities as current or non-current	1 January 2023
Amendments to IAS 1	Accounting policies	1 January 2023
Amendments to IAS 8	Definition of estimation uncertainties	1 January 2023
Amendments to IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 16	PP&E: Proceeds before intended use	1 January 2022
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 37	Onerous contracts - costs of fulfilling a contract	1 January 2022
AIP 2018-2020	IFRS 1, IFRS 9, IFRS 16, IAS 41	1 January 2022
Amendments to IFRS 10/IAS 28	Sale or contribution of assets	pending

1) Financial years which begin on or after the specified date.

The new standards described are not expected to have a significant impact on the financial reporting of the companies of the Tele Columbus Group.

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

D.1. Revenue

KEUR	TV	Internet & Telephony	Business Customers	Other	Total
	1 Jan. to 30 Sep. 2021				
Revenue from contracts with customers	176,868	126,719	44,679	1,111	349,377
Analogue	132,942	–	–	–	132,942
Internet/telephony	–	112,432	10,698	20	123,150
Receiver[1)]	7,696	5,057	–	–	12,753
Additional digital services	21,833	–	–	–	21,833
Other transmission fees and miscellaneous feed-in charges	12,038	7,844	–	–	19,882
Construction services	–	–	–	869	869
Network capacity	–	–	14,473	–	14,473
Computing centre	–	–	3,120	–	3,120
One-off fees for business customers	–	–	2,031	–	2,031
Antenna/maintenance	714	500	–	214	1,428
Hardware sales	–	–	13,871	–	13,871
Other	1,645	886	486	8	3,025
Revenue from renting	–	–	913	–	913
Network infrastructure rent	–	–	913	–	913
Revenues according to segment reporting	176,868	126,719	45,592	1,111	350,290

...

KEUR	TV	Internet & Telephony	Business Customers	Other	Total
	1 Jan. to 30 Sep. 2020				
Revenue from contracts with customers	**182,228**	**122,497**	**38,989**	**8,477**	**352,191**
Analogue	139,265	–	–	–	139,265
Internet/telephony	–	109,014	10,941	–	119,955
Receiver[1)]	7,477	4,572	–	–	12,049
Additional digital services	20,590	–	–	–	20,590
Other transmission fees and miscellaneous feed-in charges	10,749	7,417	–	–	18,166
Construction services	–	–	–	8,329	8,329
Network capacity	–	–	10,367	–	10,367
Computing centre	–	–	2,399	–	2,399
One-off fees for business customers	–	–	4,812	–	4,812
Antenna/maintenance	891	446	–	148	1,485
Hardware sales	62	39	10,287	–	10,388
Other	3,194	1,009	183	–	4,386
Revenue from renting	**–**	**–**	**4,697**	**–**	**4,697**
Network infrastructure rent	–	–	4,697	–	4,697
Revenues according to segment reporting	**182,228**	**122,497**	**43,686**	**8,477**	**356,888**

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 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. Own work capitalised

Own work capitalised in the amount of KEUR 17,554 for the first nine months of 2021 (first nine months of 2020: KEUR 17,300) mainly comprises expenses for work performed by our own employees in connection with expanding the cable network.

D.3. Other income

KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Income from the reversal of creditors with debit accounts	2,983	–
Gains on disposal of non-current assets	1,673	881
Income from dunning fees	466	553
Income from the reversal of provisions	363	303
Income from marketing subsidies	355	283
Income from sale	63	154
Miscellaneous other income	2,269	3,071
	8,172	**5,245**

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.4. Cost of materials

KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Cost of raw materials and supplies	−114	−769
Cost of purchased services/goods	−106,870	−113,718
	−106,984	**−114,487**

Costs of raw materials and supplies were for goods used for doing repair and maintenance work.

The cost of purchased services mainly relates to fees for the reception of signals, other services, construction services, maintenance costs, electricity, commissions, as well as changes in inventories of customer terminals.

D.5. Other expenses

KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Legal and advisory fees	−19,817	−7,943
Advertising	−8,420	−6,994
IT costs	−7,401	−6,730
Insurance, fees and contributions	−5,933	−2,274
Impairment on receivables	−2,199	−2,618
Occupancy costs	−1,887	−2,071
Vehicle costs	−1,776	−2,085
Communication costs	−1,226	−1,316
Incidental bank charges	−697	−641
Maintenance	−684	−1,372
Office supplies and miscellaneous administrative expenses	−540	−760
Travel expenses	−334	−564
Losses on disposal of non-current assets	−110	−173
Miscellaneous other expenses	−2,160	−2,694
	−53,184	**−38,235**

D.6. Interest income and expenses

KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Interest and similar income	166	79
Interest and similar income	**166**	**79**
Interest expenses	−42,025	−42,165
Expenses resulting from early repayment of loans	−22,055	–
Expenses resulting from compounding of loans and bond (Senior Secured Notes) under the effective interest rate method	−3,835	−5,059
Interest and similar expenses	**−67,915**	**−47,224**
	−67,749	**−47,145**

The interest paid mainly relates to liabilities to banks and liabilities arising from the senior secured notes. This increase compared to the previous year is mainly due to expenses resulting from early repayment of loans in the amount of KEUR 22,055 which were previously deferred and recognised as an expense in the course of the (partial) repayment of the term loan facilities.

More details can be found in Section D.15 "Liabilities to banks and from the bond issuance".

D.7. Other finance income/costs

KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Other valuation effects due to loans and bonds	613	417
Value adjustment of embedded derivatives	11,655	−6,561
Income from other financial income/costs	121	–
Total other financial income/costs	**12,389**	**−6,144**

This increase in other financial income/expense is mainly attributable to the fair value adjustment on embedded derivatives due to early loan repayment in May 2021.

D.8. Income tax expense

Please refer to Section 2.3.1 Financial performance of the group interim management report.

D.9. Assets held for sale and liabilities held for sale

In the first quarter of 2021, Tele Columbus Group decided to sell one of its subsidiaries, which is regionally located and in charge of the construction and operation of a broadband cable network, within one year. Accordingly, this subsidiary is classified as a disposal group held for sale and presented separately below.

As at September 30, 2021, the subsidiary classified as held for sale comprises the following assets and liabilities:

KEUR	30 September 2021
Property, plant and equipment	500
Intangible assets	3,517
Investments in participation	3
Trade and other receivables	94
Assets held for sale	**4,114**

KEUR	30 September 2021
Trade and other payables	67
Other financial liabilities	19
Accruals and deferrals	18
Income tax liabilities	155
Liabilities held for sale	**259**

The subsidiary to be sold is allocated to the two segments “TV” and “Internet and Telephony”. No impairment losses were recognised due to the revaluation of the assets and liabilities.

D.10. Property, plant and equipment

Property, plant and equipment decreased by KEUR 17,369 to KEUR 695,295 compared to December 31, 2020.

The decrease is mainly due to scheduled depreciation, which is offset by the additions. The additions are mainly due to the capitalisation of property, plant and equipment classified as IFRS 16 and other investments. In connection with leases, TEUR 23,748 are included in additions and TEUR 1,814 in disposals to fixed assets.

D.11. Intangible assets

Intangible assets with a carrying amount of KEUR 1,084,320 (December 31, 2020: KEUR 1,117,462) comprise goodwill of KEUR 886,160 (December 31, 2020: KEUR 889,660), customer bases of KEUR 67,719 (December 31, 2020: KEUR 91,569), commissions as capitalised expenses for the acquisition of new customers of KEUR 30,906 (December 31, 2020:KEUR 32,753) and other intangible assets of KEUR 99,535 (December 31, 2020: KEUR 103,480).

Intangible assets mainly comprise recognised rights, assets and software licences. As these are intangible assets with a finite useful life, they are only impairment-tested if there is any indication of impairment. As in the previous year, there were no indications of possible impairment on other intangible assets with finite useful lives.

Intangible assets include contract initiation costs of KEUR 1,156 (December 31, 2020: KEUR 306) and contract fulfilment costs of KEUR 4,629 (December 31, 2020: KEUR 3,310).

Please see Section 2.3.4 „Assets and liabilities as at September 30, 2021 compared to december 31, 2020” of the group interim management report for further individual matters.

D.12. 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:

KEUR	30 September 2021	31 December 2020
Trade and other receivables – gross	69,982	71,054
thereof contract assets	8,563	6,959
Impairment losses	–8,268	–18,625
Trade and other receivables – net	**61,714**	**52,429**

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 222 (December 31, 2020: KEUR 250).

Short and long-term other financial receivables of KEUR 12,666 (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. In addition, the other financial assets also include a payment deposit for services already received.

Short and long-term other assets in the amount of KEUR 6,372 (December 31, 2020: KEUR 7,886) mostly include prepayments made on account of orders and VAT receivables.

Short and long-term accruals of KEUR 8,581 (December 31, 2020: KEUR 7,529) primarily consist of payments relating to insurance, maintenance agreements, licences, rental payments and marketing costs.

D.13. Equity

Tele Columbus AG has successfully implemented the rights issue resolved on April 17, 2021. The capital increase was entered in the commercial register of the Company on May 12, 2021. The share capital of the Company was thereby increased by EUR 146,109,887.00 from EUR 127,556,251.00 to EUR 273,666,138.00 through the issuance of 146,109,887 new registered no-par value ordinary shares.

As a result of the capital increase, the company received proceeds of KEUR 474,857 of which KEUR 328,747 was transferred to the capital reserve as a premium. Transaction costs in connection with the capital increase reduced the capital reserve by KEUR 2,912.

For other changes in equity and distributions to non-controlling interests, please see section "Consolidated statement of changes in equity".

D.14. Other provisions

The other provisions reported as of September 30, 2021 comprise of current obligations of KEUR 15,286 (December 31, 2020: KEUR 14,077) and non-current obligations of KEUR 2,166 (Dezember 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 7,123 for possible additional funding obligations to offset future charges at the level of individual subsidiaries.

Litigation provisions amount to KEUR 718 as of September 30, 2021 and result from various disputed claims.

The provisions for asset retirement obligations in the amount of KEUR 1,381 mainly relate to the Company's headquarters in Berlin.

Miscellaneous other accruals of KEUR 6,795 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.15. 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 1,113,020 (December 31, 2020: VALUE!) and other individual loans and liabilities of subsidiaries in the amount of KEUR 2,419 (December 31, 2020: KEUR 2,569).

D.15.1. LIABILITIES TO BANKS FROM THE SENIOR FACILITIES AGREEMENT

The following credit facility is available to the Group under the senior facilities agreement: KEUR 707,463 (Term Loan Facility A3).

The margin has increased from 3.00% to 3.50% p.a. plus EURIBOR for the Term Loan Facility A3 in the course of the change of control waiver process. Furthermore, the loan agreement includes a EURIBOR floor of 0%. For the loan, there is a choice between 1-month, 3-month or 6-month EURIBOR. The term loan was based on the 1-month EURIBOR on the reporting date.

As part of the capital increase, the Term Loan Facility 75 m and the Term Loan Facility 40 m were fully prepaid. In addition, an amount of KEUR 245,000 was repaid from the Term Loan Facility A3.

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:

KEUR	30 September 2021	31 December 2020
Term Loan Facility A3[1)] (term ending on 15 October 2024)	459,800	702,595
Senior Secured Notes (term ending on 2 May 2025)	653,220	645,531
Term Loan Facility 75m[2)] (term originally ending on 18 October 2023)	–	73,236
Term Loan Facility 40m[2)] (term originally ending on 11 August 2022)	–	38,469
	1,113,020	**1,459,831**

1) Formerly Term Loan Facility A2, was prepaid
2) was repaid

In accordance with the share and interest pledge agreement dated Juli 13, 2021, interests in affiliated companies are pledged as collateral for liabilities to banks (Term Loan Facility A3) 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.

D.15.2. 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 2,130 (December 31, 2020: KEUR 2,569). The term of these loan agreements/liabilities varies between 6 and 49 months. Fixed interest rates between 1.15% p.a. and 2.72% p.a. have been agreed for the loans.

D.16. Trade and other payables, other financial liabilities, other liabilities, accurals and deferrals (non-financial)

Trade and other payable of KEUR 66,429 (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 54,248 (December 31, 2020: KEUR 55,779) mainly relate to a service concession agreement.

Other liabilities of KEUR 20,003 (December 31, 2020: KEUR 19,442) mainly relate to personnel-related provisions and tax liabilities.

Accruals and deferrals of KEUR 17,952 (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.

Contract liabilities in the amount of KEUR 13,986 are included in liabilities as at September 30, 2021 (December 31, 2020: KEUR 320).

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 June 30, 2021 are as follows:

KEUR	30 September 2021	31 December 2020
Less than one year	31,119	29,469
Between one and five years	76,818	81,771
More than five years	58,443	57,896
	166,380	**169,136**

Future lease obligations from short-term leases and leases based on low-value assets as of June 30, 2021 are as follows:

30 September 2021	Short-term leases	Leases based on low-value assets	Total
Less than one year	1,341	219	1,560
Between one and five years	–	118	118
More than five years	–	20	20
	1,341	**357**	**1,698**

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:

KEUR	30 September 2021	31 December 2020
Less than one year	20,147	24,119
Between one and five years	4,927	11,115
More than five years	3,810	4,077
	28,884	**39,311**

E.2. Related party disclosures

GENERAL RELATED PARTY DISCLOSURES

With the acquisition by Kublai GmbH and the subsequent capital increase in the first half of 2021, the related parties of the Tele Columbus Group have also expanded. Thus, both Kublai GmbH, which now holds a majority interest, and the shareholders with direct and indirect interests in Kublai GmbH (in particular Morgan Stanley Infrastructure Inc. as the ultimate shareholder of Kublai GmbH) can, by definition, exercise significant influence over the companies of Tele Columbus AG, so that these are henceforth to be classified as additional related parties within the meaning of IAS 24.

Notwithstanding the above, there have been no material changes with regard to related party transactions in the first nine months of 2021 compared to December 31, 2021.

E.3. Risk management

E.3.1. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

There have been no significant changes in the Company's risk management objectives and methods or in the nature and scope of risks arising from financial instruments for the nine-months period ended September 30, 2021 as compared to the consolidated financial statements as at December 31, 2020.

E.3.2. 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.

Cash and cash equivalents amounted to KEUR 154,926 as of September 30, 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 April 7, 2021 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 1,112,463 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 nine-months period ending September 30, 2021 compared with the interest rate risks presented in the consolidated financial statements as of December 31, 2020.

E.4. Segment reporting

The Group reports its operating activities 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 have been eliminated.

Please see the 2020 annual report for a detailed description of the segments.

Business activities as well as transactions, other events or conditions that are not directly related to the Group's reportable segments are reported under "Other" for the first nine months of 2021.

Expenses and income not allocated to operating segments are largely attributable to the central functions of management, the legal department, personnel department, finance, purchasing and IT. Revenue not allocated to operating segments relates to revenue with business customers and construction services.

When calculating normalised EBITDA for the individual segments, the following items attributable to central functions were not taken into account:

in KEUR	1 Jan. to 30 Sep. 2021	1 Jan. to 30 Sep. 2020
Revenue B2B customers / construction services	46,703	52,163
Other income	881	826
Own work capitalised	5,018	3,890
Direct costs	−23,063	−29,077
Personnel expenses	−26,083	−24,825
Other expenses	−19,738	−18,328

Expenses and income are allocated to segments either directly or based on appropriate formulae.

As they also cannot be allocated to the two segments, one-off effects (for a definition please see "Explanation of the measurement variables of the segments" under Section E.5 "Segment reporting" in the notes to the consolidated financial statements 2020) are shown in the reconciliation.

With the exception of the elimination of the "one-off effects", the accounting policies for segment reporting correspond to the principles applied for these condensed consolidated interim financial statements and are to be understood in line with IFRS as adopted by the EU. This applies as long as the valuation methods and the definition of segments do not change.

Therefore, a reconciliation is not necessary due to differences between internal measurement and IFRS measurement, but only in respect of items that are not allocated to reportable segments.

Explanation of the measurement variables of the segments

Please see the 2020 annual report (Section F.6) for explanatory notes on the measurement variables of the segments.

The non-recurring expenses in the first nine months of 2021 mainly concern costs related to the capital increase.

1 Jan. to 30 Sep. 2021

KEUR	TV	Internet & Telephony	Other	Total
Revenue	176,868	126,719	46,703	350,290
Normalised EBITDA	99,223	91,844	−16,282	174,785
Non-recurring expenses (-) /income (+)	−2,431	−1,817	−17,553	−21,801
EBITDA	**96,792**	**90,027**	**−33,835**	**152,984**

Other segment disclosures

Secondary segmenting based on geographical criteria is not applied, as all revenue is generated exclusively in Germany.

Revenue is generated by a plurality of customers such that no significant portion is attributable to one or a few external customers.

F. Events after the reporting date

On November 11, 2021, the management board presented a revised Capex budget for the financial year 2021 to the supervisory board, which was approved by the supervisory board on the same day.

As a result, the management board updated its forecast for the financial year 2021 with regard to Capex costs from a range of between EUR 185 and EUR 195 million to a range of between EUR 175 and EUR 185 million.

There are no other significant events after the balance sheet date.

G. Responsibility Statement

We hereby confirm that, to the best of our knowledge, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in accordance with applicable accounting policies for interim financial reporting, and that the group interim management report gives a true and fair view of the Group's business development including its performance and position, and also describes significant opportunities and risks relating to the Group's anticipated development in the remaining financial year.

Berlin, November 11, 2021

Management Board

Chief Executive Officer

– Dr. Daniel Ritz –

Chief Financial Officer

– Eike Walters –

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Berlin, November 2021

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

Chairman of the Supervisory Board: Marc van't Noordende

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

District Court of Berlin-Charlottenburg HRB 161349 B

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/. In all cases of doubt, the German version shall prevail.

Disclaimer