

REPORT BY THE SUPERVISORY BOARD FOR THE 2021 FINANCIAL YEAR

Dear Shareholders, Ladies and Gentlemen,

The 2021 financial year was mainly characterised by the acquisition of a majority stake in the company by Kublai GmbH (Kublai), which submitted a public takeover offer on 1 February 2021. At the same time, negotiations were held with the creditors of Tele Columbus AG regarding a change-of-control waiver. A capital increase with subscription rights and a gross issuing volume of EUR 475 million was subsequently issued. The proceeds were used to repay outstanding financial liabilities in order to bolster the implementation of the Fiber Champion strategy. In May 2021, the company organised its Annual General Meeting once again as an online event due to the COVID-19 pandemic. The 2021 Annual General Meeting appointed the eight Supervisory Board members proposed by Kublai. Over the summer, the Management Board developed an adjusted budget for 2021, which was approved by the Supervisory Board in August. Finally, the Management Board and the Supervisory Board navigated the company successfully through the COVID-19 pandemic during 2021 and rose to the challenges that were presented by the health crisis.

Composition of the Supervisory Board and conflicts of interest

The Supervisory Board was composed of Dr Volker Ruloff (Chair), Claus Beck, Hüseyin Dogan, Dr Susan Hennersdorf, Stefan Rasch and Michael Scheeren until the end of the Annual General Meeting on 28 May 2021. As disclosed in 2020, conflicts of interest were possible in the case of Supervisory Board members Michael Scheeren, Claus Beck and Hüseyin Dogan due to their membership of governing bodies at companies of the United Internet Group, a major competitor in some markets (please see the Declaration of Conformity with the German Corporate Governance Code of 30 March 2021). Michael Scheeren has not been a member of a governing body at companies of the United Internet Group since March 2021. Before each meeting, the Supervisory Board ascertained whether conflicts of interest relating to the individual agenda items could arise. In the cases in which that could have occurred, appropriate measures were taken by the Supervisory Board. For instance, the above-mentioned Supervisory Board members excluded themselves from or abstained on resolutions with potential conflicts of interest.

In the document for the takeover bid, Kublai GmbH announced that it would reconstitute the Supervisory Board after completion of the bid in order to achieve representation in line with its shareholding. All then members of the Supervisory Board resigned from their positions on 14 April 2021 effective as at the end of the next Annual General Meeting of Tele Columbus AG in view of the upcoming change of control.

At the Annual General Meeting on 28 May 2021, Marc van't Noordende, Dr Claudia Borgas-Herold, Martin Mildner, Christoph Oppenauer, Michael Scheeren and Annelies van Zutphen were appointed as members of the Supervisory Board effective as at the end of the Annual General Meeting. Ralph Dommernuth and Joachim Grendel were appointed as members of the Supervisory Board effective as at the registration in the commercial register of the amendment to the Articles of Association regarding the size of the Supervisory Board on 7 June 2021. The new members of the Supervisory Board were appointed until the end of the Annual General Meeting resolving on the approval of the Supervisory Board's actions for the 2025 financial year.

The Supervisory Board carefully examined whether the Supervisory Board members Dr Claudia Borgas-Herold, Martin Mildner and Ralph Dommermuth can be regarded as Supervisory Board members who are part of the governing bodies of a significant competitor of the company on the basis of their membership of governing bodies of United Internet AG and/or the group companies of the United Internet Group. There is good reason to doubt that United Internet AG and its individual group companies, at which the aforementioned members hold governing body positions, are to be regarded as significant competitors of Tele Columbus AG, particularly as in some cases there is no overlap between markets in which these companies and Tele Columbus AG operate. From the company's perspective, the Supervisory Board's work is not impeded by this in the long term because any conflicts of interest that might arise in specific circumstances can be countered through suitable measures for safeguarding the company's interests.

The Supervisory Board is unaware of any further conflicts of interest of Management Board or Supervisory Board members in the reporting period that must be disclosed to the Supervisory Board and would have to be reported to the Annual General Meeting.

Michael Scheeren stood down as a member of the Supervisory Board on 22 December 2021 effective as at 9 February 2022.

Ralph Dommermuth stood down as a member of the Supervisory Board on 15 January 2022 effective as at 9 February 2022.

Joachim Grendel stood down as a member of the Supervisory Board on 19 January 2022 effective as at 16 February 2022.

Dr Claudia Borgas-Herold stood down as a member of the Supervisory Board on 16 March 2022 effective as at 21 March 2022.

Overview of the Supervisory Board's activities

Due to the travel and contact restrictions in connection with the ongoing COVID-19 pandemic, the Supervisory Board only met in the form of video conferences. The Supervisory Board performed the duties required of it by law and the Articles of Association with the utmost care. The Management Board informed us orally and in writing of the business situation and developments, the current earnings position, the risk situation, risk management, short-term and long-term planning, investments and organisational measures. Our decisions were based on the reports and draft resolutions of the Management Board, which we examined in detail. We continuously monitored the work of the Management Board and advised it with regard to its managerial duties, the strategic development of the company and individual key issues. In addition, the Chief Executive Officer (CEO) regularly updated the Chairman of the Supervisory Board on current developments and relevant matters at the company outside of committee meetings.

During 2021, the Supervisory Board met at nine ordinary meetings in which the Management Board reported on the situation of the company and on all important current and strategically significant matters. Following the changes to the Supervisory Board on 28 May 2021, the Supervisory Board and its committees conducted in-depth analysis of the individual business areas and the corporate strategy over the course of numerous extraordinary meetings. In addition, the Committee Chairmen regularly reported to the Supervisory Board during ordinary meetings.

Kublai GmbH published its voluntary public takeover offer on 1 February 2021. On 4 February 2021, the Supervisory Board convened an extraordinary meeting to review the appropriateness of the compensation for all shareholders of the company offered as part of the takeover offer and regarding the joint reasoned statement to be published by the Management Board and the Supervisory Board. The members of the Supervisory Board who were members of governing bodies at United Internet abstained from the resolution.

In its ordinary meeting on 11 February, the Management Board reported on progress with the transaction, the extraordinary general meeting on 20 January 2021 and the planned capital increase. The Management Board also reported on operating business and key financial performance indicators. The Supervisory Board acknowledged and endorsed the management incentive system and the governance reports and resolved the internal audit plan for 2021.

In early March 2021, the Supervisory Board resolved by circulation an amendment to the Management Board contract of Eike Walters with regard to the tendering of the shares transferred as part of the MSP programme in the course of the takeover offer. In its ordinary meeting on 30 March 2021, the Supervisory Board adopted the 2020 annual financial statements and approved the consolidated financial statements. It resolved to follow the recommendation of the Audit Committee and propose the appointment of PricewaterhouseCoopers (PwC) as the auditor for the 2021 financial year to the Annual General Meeting. The Supervisory Board also resolved the remuneration system – including the Management Board target agreements for 2021 – and the Report by the Supervisory Board and the Corporate Governance Report. The Management Board reported on the current acceptance rate of the voluntary takeover offer and the process of drafting the securities prospectus relating to the capital increase with subscription rights. The Management Board also reported on the plan to implement the Fiber Champion project and on the next-generation TV programme. The Supervisory Board acknowledged the report on an internal audit and the report on the status of negotiations on the sale of shares to KSP-Kabelservice Prenzlau GmbH.

On 14 April 2021, the members of the Supervisory Board stood down effective as at the end of the Annual General Meeting. On 17 April 2021, the Supervisory Board convened a remote meeting and approved the performance of a capital increase with subscription rights, implementing the capital increase resolution of the extraordinary general meeting of 20 January 2021. The Management Board transaction bonus and the agenda for the Annual General Meeting on 28 May 2021 were both also resolved at this meeting.

At its ordinary meeting on 11 May, the Supervisory Board dealt with the interim financial statements for the first quarter of 2021. The Management Board also reported on the conclusion of the transaction with Kublai and the performance of the capital increase with subscription rights. The Supervisory Board granted its approval to Kublai and ODDO BHF Aktiengesellschaft subscribing to the new shares from the capital increase with subscription rights. In a further meeting on 26 May 2021, the Management Board reported on the interim financial statements.

After the end of the Annual General Meeting on 28 May 2021, the newly appointed Supervisory Board convened its constituent meeting. The Chairman and Deputy Chairman of the Supervisory Board were appointed, as were the members and chairs of the Audit Committee and the Executive Committee.

The ordinary meeting on 22 June 2021 focused on the adjusted budget for 2021, the rules of procedure for the Management Board and the Supervisory Board and the plan of action.

The regular meeting on 28 July 2021 dealt with the resolved measures, including the changes to the budget approval process.

On 12 August 2021, the Supervisory Board resolved by circulation on the approval of the Joint Reasoned Statement of the Management Board and Supervisory Board on the public delisting offer of Kublai GmbH of 4 August 2021. In a further circulation procedure on 12 August 2021, the Supervisory Board established the Investment & Finance Committee (IFC), appointed its members and defined its authority.

The 2021 Half-Year Financial Report was discussed at the regular meeting on 25 August 2021. The Supervisory Board also resolved the adjusted budget for 2021 and granted approval for the revocation of the registration of shares on the Frankfurt Stock Exchange.

The Management Board and Supervisory Board continued their discussions in September and October, in particular regarding the strategy. In addition, projects recommended by the IFC were approved in multiple circulation procedures.

At the ordinary meeting on 11 November 2021, the Supervisory Board dealt with the financial statements for the third quarter of 2021 and the draft 2022-26 Strategic Plan. The management reported on the establishment of the transformation office, the implementation of the Fiber Champion project and employee loyalty measures, among other matters.

On 19 November 2021, the Supervisory Board resolved by circulation on its approval of the revocation of the bond listing on the Euronext Dublin stock exchange and the application for listing on the Guernsey stock exchange.

In its final ordinary meeting of the year on 10 December 2021, the Supervisory Board approved a few matters, including the purchase of an optical fibre ring in Berlin proposed by the IFC and a variety of housing association projects. The Audit Committee reported on the progress of its internal investigations and the Management Board presented the revised 2022-26 Strategic Plan, the 2022 Budget and the Action Plan People & Organization.

Supervisory Board committees

To ensure that tasks are performed efficiently, the Supervisory Board has set up three permanent committees (the Executive Committee, the Audit Committee and the Investment & Finance Committee).

President's Committee

Until the appointment of new Supervisory Board members on 28 May 2021, the President's Committee was made up of Dr Volker Ruloff (Chair), Michael Scheeren and Claus Beck. Effective as at 28 May 2021, the President's Committee was made up of Marc van't Noordende (Chair), Dr Claudia Borgas-Herold, Martin Mildner and Christoph Oppenauer. Since 21 March 2022, Marc van't Noordende and Christoph Oppenauer have been members of the President's Committee.

The **President's Committee** met four times in the 2021 financial year to discuss, amongst others, the bonus scorecards 2021 for the Executive Board revised as a consequence of the revised budget 2021, the functioning of the Executive Board as well as the 2022 bonus scorecards for the Executive Board.

Audit Committee

Until the appointment of new Supervisory Board members on 28 May 2021, the Audit Committee was made up of Michael Scheeren (Chair), Dr Susan Hennersdorf and Hüseyin Dogan. Michael Scheeren (Chair), Joachim Grendel (from 7 June 2021), Martin Mildner and Annelies van Zutphen became members of the Audit Committee effective as at 28 May 2021. Since 17 February 2022, Annelies van Zutphen (Chair) and Martin Mildner have been members of the Audit Committee.

The **Audit Committee** held seven regular meetings in the 2021 financial year. At the meetings, the Audit Committee dealt with the appointment of the auditor, non-auditing services provided by the auditor, the quarterly and half-year financial statements, the 2021 annual financial statements and the internal control system. The Audit Committee was also responsible for auditing the sale of shares to KSP-Kabelservice Prenzlau GmbH, relisting the bond and monitoring internal investigations. The Audit Committee was also in constant dialogue with the management and the respective directors to familiarise itself with the individual business areas of Tele Columbus as well as Finance, Legal, Internal Audit and Compliance.

Investment & Finance Committee

The Investment & Finance Committee (IFC) was established on 11 August 2021 and assigned the task of reviewing and approving projects with an investment volume of between EUR 0.5 million and EUR 5 million as well as reviewing investments above EUR 5 million and recommending a decision to the full Supervisory Board. The IFC consisted of Christoph Oppenauer (Chair), Joachim Grendel, Martin Mildner and Michael Scheeren. Since 17 February 2022, Christoph Oppenauer (Chair) and Martin Mildner are members of the IFC.

The IFC met on a schedule of every two weeks in the 2021 financial year.

Audit of the annual and consolidated financial statements

The annual financial statements as at 31 December 2021 of Tele Columbus AG prepared by the Management Board in line with the rules of the German Commercial Code (HGB) and the consolidated annual financial statements as at 31 December 2021 prepared in line with Section 315e of the German Commercial Code on the basis of the International Financial Reporting Standards (IFRS), as well as the corresponding management reports, were audited by PriceWaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

An unqualified audit opinion was issued in each case. The Supervisory Board examined the documents in depth. The audit reports were submitted to all members of the Supervisory Board for this purpose. Both at the Audit Committee meeting and during the Supervisory Board meeting on 19 April 2022, the responsible auditor explained the significant findings of the audit, each of which was discussed in detail in his presence.

The examination by the Audit Committee and the Supervisory Board also covered the non-financial details for Tele Columbus AG and the Group integrated in the combined management report. The auditor reported on the scope, the main focal points and the significant findings of his audit, particularly addressing the key audit matters and the audit actions performed. The Management Board and the auditors in attendance answered questions from the members of the Supervisory Board to the required level of detail.

Mid 2021 the compliance trustee of Tele Columbus AG was informed on an anonymous basis that there were irregularities in the reporting of revenues of HLKomm Telekommunikations GmbH, Leipzig; ("HLKomm"). The allegations were thoroughly investigated by Internal Audit and Deloitte GmbH Wirtschaftsprüfungsgesellschaft that was mandated by the Supervisory Board and reported on the results of its special investigation to the Supervisory Board. In setting up the consolidated accounts the Management Board decided to include the necessary corrections in the consolidated numbers for fiscal year 2020 shown in the consolidated accounts for fiscal year 2021 (see Note 4 to the consolidated accounts). The auditor agreed with this approach. The Supervisory Board discussed the incidents at HLKomm with the auditor in detail, in particular, the results of the company's investigations during the audit, the accounting treatment and which measures will be taken to improve the internal control systems. The auditor agreed to the retroactive corrections of the consolidated accounts for 2020 within the consolidated accounts for 2021 based on the accounting standard IAS 8. The auditor confirmed that it had no reason to believe that on the basis of these corrections the consolidated accounts for 2021 would not give a true and fair view of the assets, financial condition and operating results of the Tele Columbus Group. The auditor issued an unqualified audit opinion.

The Supervisory Board raised no objections and approved the findings of the audit of the consolidated financial statements. At this meeting, the Supervisory Board approved the consolidated financial statements of Tele Columbus AG prepared by the Management Board and the combined management report. At another meeting on 17th May 2022, the Supervisory Board discussed the annual non-consolidated financial statements of Tele Columbus AG, raised no objections and subsequently approved them by written ballot. The annual non-

consolidated financial statements of Tele Columbus AG for the 2021 financial year are therefore adopted.

The Supervisory Board would like to thank the Management Board and all employees for their work and all they achieved in 2021.

Berlin, 18 May 2022

Marc van't Noordende
Chairman of the Supervisory Board