

TELE COLUMBUS AG
(the *Company*)
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To: The Scheme Creditors (as defined in paragraph 2 below)

Copy: Kroll Agency Services Limited as Agent under the SFA (as defined in paragraph 6 below) and Deutsche Trustee Company Limited as Trustee under the Existing Indenture (as defined in paragraph 6 below)

Kroll Issuer Services Ltd as information agent (the *Information Agent*) and calculation agent with respect to the Scheme (as defined in paragraph 1 below)

PRACTICE STATEMENT LETTER

29 December 2023

Proposed scheme of arrangement in relation to the Company under Part 26 of the Companies Act 2006

PURPOSE OF THIS LETTER

1. We are writing to inform you that the Company is proposing a scheme of arrangement under Part 26 of the Companies Act 2006 (the *Scheme*) with its Scheme Creditors (as defined in paragraph 2 below) in order to implement the Transaction (as defined in paragraph 19 below) in relation to the financing arrangements of the Company, as summarised in paragraph 5 below, in form and substance consistent with the term sheet scheduled to the Lock-Up Agreement (as defined in paragraph 22 below).
2. The Scheme will have one class of creditors consisting of the holders of the Existing Notes (as defined in paragraph 6 below) (the *Noteholders*) and the lenders under the SFA (as defined in paragraph 6 below) (the *Lenders*, and together with the Noteholders, the *Scheme Creditors*). The grouping of the Company's creditors into one class reflects the materially similar rights of the Scheme Creditors going into the Scheme, and the materially similar manner in which the Scheme Creditors' claims will be compromised by the terms of the Scheme if implemented (please refer to paragraphs 68 to 74 below for more detail).
3. You are being contacted as the Company believes that you are a Scheme Creditor and will therefore be affected by the proposed Scheme.
4. In accordance with the procedure and guidance contained in the Practice Statement (Companies: Schemes of Arrangement under Part 26 or Part 26A of the Companies Act 2006) issued by the Chancery Division of the High Court of Justice for England and Wales (the *Court*) on 26 June 2020 (the *Practice Statement*), the purpose of this letter is to inform you of:
 - (a) the fact a Scheme is being promoted – paragraph 58 onwards;
 - (b) the purpose which the Scheme is designed to achieve and its effect – paragraph 11 onwards;
 - (c) the meeting of Scheme Creditors which the Company considers will be required and its composition – paragraph 68 onwards;
 - (d) any issues which have been considered which may arise as to the constitution of the meeting of Scheme Creditors or which otherwise affect the conduct of the meeting – paragraph 71;
 - (e) the basis on which the Company considers that the Court has jurisdiction as regards the Scheme – paragraph 66;
 - (f) the date and place fixed for the convening hearing – paragraph 82;
 - (g) your entitlement to attend the convening and sanction hearings – paragraph 84; and
 - (h) how you may make further enquiries about the Scheme – paragraph 87.

COMPANY DEBT AND TREATMENT UNDER THE SCHEME

5. The Company has a number of different sources of indebtedness, some (but not all) of which will be compromised under the Scheme. The debt to be compromised by the Scheme is set out in paragraph 6 below.

Debt to be compromised under the Scheme

6. We refer to:

- (a) the €650 million senior secured notes maturing 2 May 2025, issued pursuant to the New York law governed indenture dated 4 May 2018 between, among others, the Company, as issuer, and Deutsche Trustee Company Limited, as Trustee, as amended from time to time, including by the first supplemental indenture dated 21 November 2019, the second supplemental indenture dated 11 February 2021, the third supplemental indenture dated 13 July 2021, the fourth supplemental indenture dated 1 December 2023 (the ***Fourth Supplemental Indenture***) and the fifth supplemental indenture dated 12 December 2023 (the ***Existing Notes*** and the ***Existing Indenture***);
- (b) the €1.38 billion English law senior facilities agreement originally dated 2 January 2015 between, among others, the Company (as borrower) and Kroll Agency Services Limited (formerly Lucid Agency Services Limited) (as Agent), as amended and/or restated from time to time, and maturing 15 October 2024 (of which €462.5 million of principal remains outstanding as of the date of this letter) (the ***SFA***); and
- (c) the Intercreditor Agreement originally dated 30 July 2015 (as amended and/or restated from time to time) between, among others, the Company, Kroll Agency Services Limited (formerly Lucid Agency Services Limited) as Senior Facilities Agreement Agent and Deutsche Trustee Company Limited as Trustee (each as defined therein), governed by English law (the ***Intercreditor Agreement***, and together with the Existing Notes, the Existing Indenture and the SFA, the ***Finance Documents***).

7. Each of Tele Columbus AG, Tele Columbus Sachsen-Thüringen GmbH, Tele Columbus Sachsen-Anhalt GmbH, RFC Radio-, Fernseh- u. Computertechnik GmbH, Tele Columbus Multimedia GmbH & Co. KG, PrimaCom Holding GmbH, PrimaCom Berlin GmbH, Tele Columbus Kabel Service GmbH, pepcom GmbH, Kabelfernsehen München ServiCenter GmbH, pepcom Projektgesellschaft mbH, HLkomm Telekommunikations GmbH, WTC Wohnen & TeleCommunication Verwaltung GmbH, FAKS Frankfurter Antennen- und Kommunikationsservice Gesellschaft mit beschränkter Haftung, and Cabletech Kabel- und Antennentechnik GmbH are guarantors under the Existing Notes and the SFA.

8. A pledge has been granted in favour of the Lenders and Noteholders over the outstanding share capital (or partnership interests in the case of Tele Columbus Multimedia GmbH & Co. KG) in each of Tele Columbus Sachsen-Thüringen GmbH, Tele Columbus Sachsen-Anhalt GmbH, RFC Radio-, Fernseh- u. Computertechnik GmbH, Tele Columbus Multimedia GmbH & Co. KG, Tele Columbus Betriebs GmbH, PrimaCom Holding GmbH, PrimaCom Berlin GmbH, Tele Columbus Kabel Service GmbH, pepcom GmbH, Kabelfernsehen München ServiCenter GmbH, pepcom

Projektgesellschaft mbH, WTC Wohnen & TeleCommunication Verwaltung GmbH, FAKS Frankfurter Antennen- und Kommunikationsservice GmbH, and Cabletech Kabel- und Antennentechnik GmbH.

Non-Scheme Debt relevant to the Transaction

9. We also refer to the shareholder loan agreements originally dated 25 July 2023 and 30 August 2023 entered into between the Company as borrower and Hilbert Management GmbH, an affiliate of Morgan Stanley Infrastructure Partners Inc. (**MSI**), (**Hilbert**) as Lender (as amended from time to time) pursuant to which up to €97 million has been committed to provide further funding to the Group (the **Shareholder Loans**). As of the date of this letter, €55 million has been funded under the Shareholder Loans (€15 million under the shareholder loan originally dated 25 July 2023 and €40 million under the shareholder loan originally dated 30 August 2023). The Shareholder Loans will not be compromised by the Scheme.

Other Non-Scheme Debt

10. Ordinary course trade creditors of the Company (and the Group) will not be compromised by the Scheme, as the ongoing supply of the Group's trade creditors is critical to the continuity of the business of the Group. The Company is also party to certain intercompany loans as lender, which will not be affected by the Scheme.

BACKGROUND TO THE GROUP AND REASONS FOR THE TRANSACTION

Background to the Group

11. Established in 1985, the Tele Columbus group (which comprises the Company and its direct and indirect subsidiaries) (the **Group**) is a leading fibre-optic network operator in Germany, headquartered in Berlin. The Group reaches over 4.8 million homes, of which (i) 2.3 million Gigabit-ready homes are connected, (ii) 0.9 million TV-only homes are connected; and (iii) 1.6 million homes are passed but not connected. The Group has a strong regional footprint in Hamburg, Berlin, Brandenburg, Saxony, Saxony-Anhalt and Thuringia, in addition to market shares in Bavaria, North Rhine-Westphalia and Hesse.
12. The Company is a public company incorporated on 12 September 2014 in Germany with company number HRB 161349 B. The Company's primary activity is holding the shares in its subsidiary companies including (directly and indirectly) the operational subsidiaries of the Group. The Company is majority owned by Kublai GmbH (**Kublai**) (95.39%). Kublai is ultimately owned by MSI (through Hilbert) (60%) and United Internet Investments Holding AG & Co. KG (**United Internet**) (40%). Shares in the Company were de-listed from the Frankfurt Stock Exchange in September 2021. The minority interest of 4.61% of the Company not held by Kublai remains in free float and trades over-the-counter.
13. The Group offers services in the business-to-consumer and business-to-business segments and offers high-speed internet, telephony and cable TV services. A core focus of the Group's business is on housing associations under long-term contracts (typically 8 to 10 years). Compared to its main competitors, the Company's significant selling point is its cable network which is already installed in houses and is capable of satisfying future customers' internet demands in terms of speed and broadband. A key

driver of growth for the Group is expected to be the continued expansion of its high-speed fibre network.

Group financing and challenges

14. The Company is the primary holding company and central financing vehicle within the Group and its primary financial liabilities, the Existing Notes and the SFA, are nearing maturity (the outstanding liabilities under the SFA mature on 15 October 2024 and the Existing Notes are due on 2 May 2025). As such, it was considered necessary in the short to medium term for the Company to reach an agreement with its major creditors on the terms of an extension of the maturity profile of the Existing Notes and SFA.
15. In addition, the Group has been facing certain short term liquidity challenges. Funding has been provided by Hilbert pursuant to the Shareholder Loans to address these immediate liquidity challenges as noted in paragraph 9 above. Based on the latest available cash flow forecasts the Company will have sufficient liquidity until early March 2024 taking into account, amongst other things, the Shareholder Loans. Provided the Transaction Effective Date (as defined in paragraph 23) occurs prior to this, the Company will have sufficient liquidity. However, if further funding was required prior to the Transaction Effective Date or the Transaction Effective Date was delayed, the Company would seek further funding to be made available pursuant to the Shareholder Loans, which it anticipates would be made available, if required. However, there is no certainty that such further funding (if required) would be provided.
16. The Group also faces certain commercial challenges due to a changing regulatory landscape:
 - (a) New legislation: from July 2024, housing associations will not be allowed to charge cable fees through an additional payment obligation on tenants due to the abolition of “bulk contracts” or “*Umlagefähigkeit*”. However, it will still be possible to offer cable TV as an ancillary cost (with the consent of the residents).
 - (b) The expiry of key housing association contracts: of the Group’s top 20 housing association contracts a share equal to 61% of households is expiring by 2027, which threatens to open up the housing association base to competition. The Group’s ability to offer high-speed fibre network services to key housing associations will be a key factor in retaining them as customers.
17. In addition to its short-term liquidity needs, over the medium to long term, the Group requires further equity investment and liquidity to support the delivery of its business plan and to build out its fibre network to ensure it successfully tackles these funding and commercial challenges. The Company has therefore requested an equity commitment of €300 million (net of the principal sum advanced under the Shareholder Loans and not repaid) (the *Equity Amount*). The Equity Commitment and certain changes to the corporate structure of the Group will be implemented outside of the Scheme on the Transaction Effective Date (as defined in paragraph 23).
18. In light of the above the Group has agreed the terms of a transaction with its key financial creditors and the Shareholders (as defined in paragraph 56 below) to address its upcoming maturities and funding requirements, as further described below.

THE TRANSACTION

19. The Company proposes to extend the maturity of the SFA to, and exchange the Existing Notes for new notes (the *New Notes*) due on, 15 October 2028 along with making certain amendments to the terms applicable to the SFA and the Existing Notes and making certain amendments to the Intercreditor Agreement. In addition, it is proposed that one or more indirect shareholders of the Company will provide the Equity Amount in order to put the Group onto a sustainable footing, stabilise its liquidity position and enable it to successfully deliver on its business plan (the *Transaction*).
20. The Company hopes to be able to implement the Transaction consensually with the approval of each of the relevant stakeholders. If all necessary consents cannot be obtained, the Transaction is to be implemented by way of the Scheme.
21. The details of the Transaction are summarised in paragraphs 41 to 55 below and will be set out in detail in an explanatory statement to be circulated to Scheme Creditors shortly after the Convening Hearing (as defined below) (the *Explanatory Statement*).

Preparatory Steps

Lock-Up Agreement

22. Since August 2023, the Company has worked with its advisers, an Ad-Hoc Group of its Lenders and Noteholders (the *AHG*) representing a majority of creditors by value of the SFA and Existing Notes, and Milbank LLP and Houlahan Lokey LLP (the *AHG's Advisers*), and its largest indirect shareholder, MSI, and MSI's advisers to prepare and negotiate a draft commercial proposal on the terms of the Transaction. An initial draft of the Lock-Up Agreement (as defined below) was circulated to the AHG's Advisers on 16 October 2023. Discussions in relation to the Transaction have been ongoing for a number of months.
23. The Company entered into a lock-up agreement with the members of the AHG dated 22 November 2023 (the *Lock-Up Agreement*). The Lock-Up Agreement appends an agreed form term sheet (as may be amended from time to time) (the *Term Sheet*) setting out the agreed commercial terms of the Transaction. The Term Sheet also sets out the conditions and steps to be satisfied in order to implement the Transaction (the date on which such final step or condition is completed being the *Transaction Effective Date*). On the same day, and as a condition to the AHG's support under the Lock-Up Agreement, affiliates of MSI and Hilbert executed the ECL and SSL (as defined and described in further detail in paragraphs 52 and 54 respectively), documenting the terms and conditions of MSI's support of the Transaction.
24. By entering into the Lock-Up Agreement, certain Noteholders and Lenders have agreed, among other things, to promptly take all actions which are necessary to support, facilitate, implement, consummate or otherwise give effect to the Transaction, and to vote in favour of the Scheme (the *Consenting Creditors*).
25. Certain Noteholders and Lenders are unable (in their reasonable opinion having considered in good faith) to vote in favour of the Scheme as a result of the proposed extension of maturities of their debt, for constitutional, governance or legal reasons, and have acceded to the Lock-Up Agreement as abstaining creditors (the *Abstaining Creditors*, and together with the Consenting Creditors, the *Locked-Up Creditors*). The Abstaining Creditors have undertaken pursuant to the Lock-Up Agreement to use

reasonable endeavours to support and facilitate (to the extent legally permissible) the implementation of the Transaction. All Locked-Up Creditors have agreed to consent to the Consent Solicitation and the SFA Consents (as applicable) (each as defined in paragraph 32).

26. Shortly following execution of the Lock-Up Agreement, the Company sought accession of those Noteholders and Lenders who were not a part of the AHG to the Lock-Up Agreement. On 22 November 2023, the Company (i) published an announcement via the Company's investor relations website, the Information Agent's Scheme website, the clearing systems and on the SFA website, setting out the key terms of the Transaction, and inviting Lenders and Noteholders to accede to the Lock-Up Agreement and (ii) hosted an investor call to discuss the Transaction, which was made available to all Lenders and Noteholders. A subsequent investor call to answer investor queries was held on 5 December 2023.
27. Certain terms of the Lock-Up Agreement became binding on the date of the Lock-Up Agreement. The remaining terms of the Lock-Up Agreement will become binding on the date on which the Company:
 - (a) notifies the parties to the Lock-Up Agreement that the following had acceded to the Lock-Up Agreement:
 - (i) Consenting Creditors whose SFA debt constituted more than 66.66% of the liabilities under the SFA then outstanding; and
 - (ii) Consenting Creditors who represented more than 50% of the liabilities under the Existing Notes then outstanding; and
 - (b) delivers to the AHG's Advisers an updated draft of the German IDW S6 restructuring opinion reflecting the terms of the Term Sheet,
(the ***Creditor Effective Date***).
28. On 13 December 2023, the Company announced that Locked-Up Creditors holding in aggregate approximately 90% of the aggregate principal amount of each of the SFA and the Existing Notes had acceded to the Lock-Up Agreement. As such limb (a) as set out in paragraph 27 above has been satisfied. It is anticipated that limb (b) will be satisfied in advance of the Convening Hearing (as defined below).
29. In order to compensate Scheme Creditors for the time and for the administrative costs spent considering and responding to the Lock-Up Agreement and to incentivise entry into the Lock-Up Agreement, certain consent fees are payable to the Locked-Up Creditors. Pursuant to the Lock-Up Agreement and subject to the completion of the Transaction, any ***Locked-Up Creditor*** who accedes to the Lock-Up Agreement:
 - (a) on or before 11:59 p.m. (CET) on 12 December 2023 (or such later date as determined by the Company) (the ***Early Consent Deadline***), will receive an amount equal to 0.125% of the principal amount of the Existing Notes and/or SFA debt beneficially held by such Locked-Up Creditor (being the ***Consenting Debt*** in the case of the Consenting Creditors or ***Abstaining Debt*** in the case of the Abstaining Creditors) (together with the Consenting Debt, the ***Locked-Up Debt***) at the Early Consent Deadline (together with any Locked-up Debt that such Locked-Up Creditor acquires after the Early Consent Deadline, in

accordance with the terms of the Lock-Up Agreement), to be capitalised and paid as an allocation of additional New Notes (as defined in paragraph 43 below) and/or participation in the Amended SFA (as defined in paragraph 43 below) (as applicable) on the Transaction Effective Date (the ***Early Consent Fee***); and

- (b) on or before 11:59 p.m. (CET) on 30 January 2024 (or such later date as determined by the Company) (the ***Late Consent Deadline***), will receive an amount equal to 0.125% of the principal amount of the Locked-Up Debt beneficially held by such Locked-Up Creditor at the Late Consent Deadline (together with any Locked-up Debt that such Locked-Up Creditor acquires after the Late Consent Deadline, in accordance with the terms of the Lock-Up Agreement), to be capitalised and paid as an allocation of additional New Notes (as defined in paragraph 43 below) and/or participation in the Amended SFA (as defined in paragraph 43 below) (as applicable) on the Transaction Effective Date (the ***Late Consent Fee***).

30. Where Scheme Creditors informed the Company or its advisers in advance of the Early Consent Deadline of their intention to accede and then provided the necessary accession documents by close of business on 15 December 2023, the Company accepted such Scheme Creditors as having acceded within the Early Consent Deadline.

31. The percentage and number of the Scheme Creditors who have actually entered into or acceded to the Lock-Up Agreement as at the date of this letter are in excess of the statutory majorities required for the Scheme (being 75% in value representing a majority in number of the class of creditor for the Scheme), being (approximately, by value):

- (a) as a percentage by value of the total debt under the Existing Notes and the SFA:
 - (i) 83.2% Consenting Creditors; and
 - (ii) 8.3% Abstaining Creditors;
- (b) as a percentage by value of the debt under the Existing Notes:
 - (i) 84.4% Consenting Creditors; and
 - (ii) 6.1% Abstaining Creditors;
- (c) as a percentage by value of the debt under the SFA:
 - (i) 81.6% Consenting Creditors; and
 - (ii) 11.4% Abstaining Creditors.

Consent Solicitation and Consent Request

32. Concurrently with seeking accession to the Lock-Up Agreement, the Company:

- (a) solicited consents (the ***Consent Solicitation***) from Noteholders to implement the following amendments to, and seek certain waivers in respect of, the Existing Indenture:

- (i) with the approval of a majority in aggregate principal amount of the Existing Notes, in order to:
 - (A) amend the grace period for curing a default for non-payment of interest from 30 days to a period lasting until the earliest of (i) the Transaction Effective Date, (ii) the Long-Stop Date (as defined in the Term Sheet) or (iii) the termination of the Lock-Up Agreement (in each case, the **Support Period**);
 - (B) provide for individual deferral by Consenting Holders (as defined in the Fourth Supplemental Indenture) of the 2 November 2023 interest payment otherwise due under the Existing Notes until the end of the Support Period (the **November Coupon**);
 - (C) provide that any actions/procedures in connection with the Transaction (other than with respect to any matters requiring the consent of Noteholders holding not less than 75% or 90%, as applicable, of the then outstanding principal amount of Existing Notes under the Existing Indenture) shall not constitute a default or event of default under the Existing Indenture;
 - (D) temporarily waive, for the duration of the Support Period, any potential default or event of default under the Existing Indenture (if any), relating to or arising from the Transaction (except with respect to non-payment of principal, premium or interest or additional amounts (if any) on the Existing Notes (the amendments and waivers in paragraph (C) and this paragraph (D) being the **Majority Restructuring Consents**); and
 - (E) temporarily waive, for the duration of the Support Period, any default or event of default under the Existing Indenture triggered by any deemed or actual failure to comply with any notification requirements relating to the non-payment of the November Coupon;

(the **Majority Consents**), and
- (ii) with the approval of 90% in aggregate principal amount of the Existing Notes, in order to:
 - (A) amend the date on which the November Coupon payment is due to the end of the Support Period;
 - (B) amend the events of default to provide that no steps arising from the Transaction shall be an event of default;
 - (C) temporarily waive any deemed or actual default or event of default in relation to the failure to pay the November Coupon payment for the duration of the Support Period;

- (D) temporarily waive any deemed or actual default or event of default arising from the implementation of the Transaction for the duration of the Support Period (the amendments and waivers in paragraph (B) and this paragraph (D) being the **90% Restructuring Consents**);
(the **90% Consents**), and
- (b) sought consents (the **SFA Consents**) from the Lenders to implement amendments to the SFA in order to waive certain defaults or events of default occurring or which may occur under the SFA as a result of the Company and/or one or more of the other Obligors (as defined in the Lock-Up Agreement):
 - (i) commencing negotiations with one or more of its creditors with a view to rescheduling its indebtedness; and/or
 - (ii) entering into or taking any corporate actions, legal proceedings or other formal procedures in relation to a Scheme or Restructuring Plan and/or StaRUG (if required); and/or
 - (iii) filing petitions or applications to courts or tribunals in any jurisdictions as may be necessary to recognise the Scheme or Restructuring Plan and/or StaRUG (if required).

33. The Majority Consents were to become operative and effective on receipt of the requisite votes, with the exception of the Majority Restructuring Consents, which only became operative subject to effectiveness of the SFA Consents. Upon receipt of the required majority vote, the Fourth Supplemental Indenture was executed by the Company and the Trustee on 1 December 2023. The 90% Consents were to become operative and effective on receipt of the requisite votes, with the exception of the 90% Restructuring Consents, which only became operative subject to effectiveness of the SFA Consents. Upon receipt of the required 90% vote, the Fifth Supplemental Indenture was executed by the Company and the Trustee on 12 December 2023

34. Upon expiry of the Consent Solicitation on 12 December 2023, the Noteholders holding €616,374,000.00 in aggregate principal amount of the Existing Notes, which amount represents approximately 94.83% of the Existing Notes outstanding prior to the launch of the Consent Solicitation, have validly submitted their consents and satisfied the requirements set out in the Consent Solicitation.

35. On 14 December 2023, the SFA Consents became effective and operative following the consent from Lenders representing a majority in aggregate principal amount of the SFA. Simultaneously, the Majority Restructuring Consents and the 90% Restructuring Consents with respect to the Existing Notes have become operative.

November 2023 Coupon Payment and December 2023 Interest Payment

36. The November Coupon payment was not paid on its due date of 2 November 2023, and the Company utilised the 30-day grace period under the Existing Notes. Utilising the grace period under the Existing Notes provided the Group with liquidity runway to finalise the Lock-Up Agreement and Term Sheet, as discussions were at an advanced stage and payment of the November Coupon was to be addressed as part of the agreed Transaction. Locked-Up Creditors agreed, as part of the Consent Solicitation and Lock-

Up Agreement described above, respectively, to individually defer payment of the November Coupon and forbear from any enforcement action related to non-payment of such coupon until the earlier of the Transaction Effective Date or termination of the Lock-Up Agreement. Pursuant to the 90% Consents, any outstanding default in relation to the failure to pay the November Coupon was waived.

37. Pursuant to the SFA, an interest payment is due on 30 December 2023 (the *December Interest Payment*). The Lock-Up Agreement provides forbearance by each lender who is a Locked-Up Creditor in respect of the December Interest Payment during the Support Period (which, assuming the Transaction is implemented as intended, will terminate on the Transaction Effective Date).
38. The proposed treatment of interest, including in respect of amounts accrued and unpaid in respect of the November Coupon payment and December Interest Payment is set out at paragraph 45 below.

Potential changes to the Term Sheet

39. Subject to discussions which are ongoing as at the date of this Letter between the Company, the Ad-Hoc Group and MSI and each of their respective advisers, it may be necessary to make certain amendments to the Term Sheet to reflect the following:
 - (a) a further extension to the maturity dates from 15 October 2028 (as per the current Term Sheet) to 1 January 2029, so as to enable to the Company to ensure receipt of the Restructuring Opinion on or before the Transaction Effective Date without the need for additional changes to the implementation structure; and
 - (b) an amendment to enable New LuxCo 1 and New LuxCo 2 (as defined below) to be inserted either as subsidiaries of the Company (as currently anticipated by the Term Sheet) or, if agreed by Hilbert, Kublai (which would require approval from its shareholders) and the Company, as subsidiaries of Kublai, above the Company. The decision on the preferred structure is subject to further tax and legal analysis.
40. If it is necessary or desirable to make these amendments for the purposes of the Transaction, the Company will send a request to the Locked-Up Creditors and Kublai.

Proposed Transaction

41. In broad summary, the Transaction comprises an extension of maturity of the SFA and the Existing Notes along with amendments to the terms of each Finance Document, and a capital contribution of the Equity Amount to be made to the Company by certain shareholders. Further details and a detailed explanation of the terms of the Transaction will be set out in the Explanatory Statement.

SFA Transaction and SSN Transaction

42. The proposed amend and extend refinancing is described further in paragraph 43 to 55 below and set out in detail in the Term Sheet.
43. Conditional on the Equity Commitment (as defined in paragraph 50 below), the Company proposes to:

(a) amend and restate the SFA in its entirety (the *Amended SFA*), on, *inter alia*, the following terms:

- (i) to extend the maturity date to 15 October 2028¹;
- (ii) subject to a floor of 8.00% p.a., to increase the interest under the Amended SFA to EURIBOR (subject to a floor of 6%) plus a margin of 4% p.a. (including a minimum cash pay of 50 bps), reduced by 0.5% p.a. for every €25 million of equity contribution provided (and received by the Company) in cash in addition to the Equity Commitment (i.e. after the Equity Commitment is satisfied in full) and if such equity contribution is not applied for purposes of building capacity to incur super senior indebtedness under the credit facility basket or the contribution debt basket;
- (iii) to apply an exit fee of 2.5% of the aggregate principal amount prepaid payable after three years from the Transaction Effective Date, increasing to 4.0% of the aggregate principal amount prepaid four years from the Transaction Effective Date, payable on an Exit Event (as defined in the Term Sheet, which includes refinancing, mandatory or voluntary prepayment of the SFA, change of control of the Company, and sale of all or substantially all of the Group's assets); and
- (iv) to tighten the baskets and permissions in line with the covenants incorporated from the New Notes (as further set out in paragraph (c) below) and to add certain additional events of default,

(the *SFA Transaction*); and

(b) exchange the Existing Notes in their entirety for new senior secured notes (the *New Notes*) issued pursuant to a new indenture to be dated the Transaction Effective Date (the *New Indenture*) with, *inter alia*, the following changes from the terms of the Existing Indenture:

- (i) to extend the maturity date to 15 October 2028;
- (ii) subject to a floor of 8.00% p.a., to increase the interest payable under the New Notes to 10.00% p.a. (payable in kind), reduced by 0.5% p.a. for every €25 million of equity contribution provided (and received by the Company) in cash in addition to the Equity Commitment (i.e. after the Equity Commitment is satisfied in full) and if such equity contribution is not applied for purposes of building capacity to incur super senior indebtedness under the credit facility basket or the contribution debt basket;
- (iii) to apply an exit fee of 2.5% of the aggregate principal amount of the New Notes prepaid, payable after three years from the Transaction Effective Date, increasing to 4.0% of the aggregate principal amount of the New Notes prepaid four years from the Transaction Effective

¹ See paragraph 39 for potential change to Term Sheet.

Date, payable on an Exit Event (as defined in the Term Sheet which includes refinancing, mandatory or voluntary prepayment of the New Notes, change of control of the Company, and sale of all or substantially all of the Group's assets);

- (iv) to tighten the baskets and permissions under the New Notes as compared to the Existing Notes and to add certain additional events of default,

(the *SSN Transaction*).

- (c) replace the covenants under the existing SFA with the covenants under the New Indenture and include the following new covenants which will apply to both the Amended SFA and the New Notes:
 - (i) the following minimum liquidity covenants:
 - (A) a first covenant set at a minimum liquidity threshold of €35 million, a breach of which will result in additional reporting obligation to the New Noteholders and lenders under the Amended SFA; and
 - (B) a second covenant set at a minimum liquidity threshold of €20 million, a breach of which will result in an event of default under the New Indenture and Amended SFA, respectively, in each case, compliance will be measured under both monthly liquidity and under a 13-week forward-looking cash flow forecast based on cash, cash equivalents and available liquidity (being the aggregate of cash, cash equivalents and amounts available under any equity commitment letter within 10 business days) and will be subject to customary equity cure rights; and
 - (ii) a performance covenant requiring quarterly director statements on and from the date falling three years after the Transaction Effective Date, confirming that the Company's performance remains in compliance with the requirements set out in the Restructuring Opinion, a breach of which would result in additional reporting obligations to the creditors (but is not an event of default).

Security

44. The New Notes and Amended SFA are to benefit from substantially the same security and guarantee package based on existing security and guarantees provided in respect of the Existing Notes and SFA together with:

- (a) the following additional security:
 - (i) Luxembourg law governed share pledge agreements over the shares issued in two Luxembourg-incorporated companies (*New LuxCo 1* and *New LuxCo 2*) to be incorporated as subsidiaries² of the Company;

² See paragraph 39 for potential change to Term Sheet.

- (ii) Luxembourg law governed pledge agreement over the accounts held by New LuxCo 1 in Luxembourg and a Luxembourg law governed pledge agreement over the accounts held by New LuxCo 2 in Luxembourg; and
- (iii) Luxembourg law governed pledge agreement over the claims owed by New LuxCo 1 to its shareholder(s) and Luxembourg law governed pledge agreement over the claims owed by New LuxCo 2 to New LuxCo 1,

(b) guarantees from New LuxCo 1 and New LuxCo 2 and additional guarantees to be agreed to achieve 90% guarantor coverage (excluding MDCC Magdeburg City-Com GmbH and BBcom Berlin-Brandenburgische Communicationsgesellschaft mbH).

Interest

45. In respect of accrued and unpaid interest under the SFA and the Existing Notes, the Company proposes the following treatment:

- (a) up to and including 2 October 2023, accrued and unpaid interest will be paid in cash on the Transaction Effective Date;
- (b) accrued and unpaid interest, if any from 3 October 2023 to (but excluding) the Transaction Effective Date (such Noteholder's **Capitalised SSN Interest** and such Lender's **Capitalised SFA Interest**) will be capitalised on the Transaction Effective Date, subject to the SSN/SFA Election (as defined below) pursuant to which the New Noteholders (as defined below) will receive cash interest up to 2 December 2023 as further set out in paragraph 47 below; and
- (c) accrued and unpaid default interest on defaulted interest payments, if any, up to and including the Transaction Effective Date, will be waived (and for the avoidance of doubt, will not be paid in cash or capitalised on the Transaction Effective Date).

SSN/SFA Election

46. Each eligible Lender and Noteholder (subject to certain regulatory requirements) will have the right to elect to convert their SFA commitments and Existing Notes (as applicable) into an equivalent principal amount of the New Notes or Amended SFA (as applicable) at the Transaction Effective Date (subject to applicable caps, floors and apportionment as set out in the Term Sheet) (the **SSN/SFA Election**).

47. Each eligible holder of the New Notes (being those eligible Noteholders who do not exercise the SSN/SFA Election and the Lenders who exercise the SSN/SFA Election) (each a **New Noteholder**, together the **New Noteholders**) will receive an amount of cash equal to interest accruing on the Existing Notes, for the period from 3 October 2023 up to and including 2 December 2023 on such New Noteholder's aggregate principal amount of Existing Notes and/or participations in the SFA. Each New Noteholder shall have their Capitalised SSN Interest and/or Capitalised SFA Interest reduced on a € for € basis by the cash payment received, which in turn will reduce the principal amount of the New Notes held by the New Noteholders.

48. In order for a Scheme Creditor to be eligible to receive its relevant amount of New Notes or participation in the Amended SFA having participated in the SSN/SFA Election, the relevant Scheme Creditor must be entitled from a regulatory perspective to hold the relevant instrument (an *Eligible Person*). It will be possible for Scheme Creditors who are not Eligible Persons to nominate a recipient for its consideration under the Scheme.

49. Further details of the SSN/SFA Election, including eligibility, nomination of an Eligible Person as recipient (where appropriate) and the process by which Scheme Creditors may participate will be included in the Explanatory Statement.

Equity Commitment

50. Conditional on the SSN Transaction and the SFA Transaction being implemented in a manner consistent with the Term Sheet, it is proposed that Kublai, following receipt of funds from one or more of Hilbert, United Internet or certain of their respective affiliates (or a combination thereof) will provide the Company with a capital contribution in an amount of €300 million (taking into account any principal amount left outstanding under the Shareholder Loans as described in paragraph 51), provided to the Company by way of common or preferred equity (*Vorzugsaktien*) and/or subordinated debt, with either:

- (a) €300 million to be provided on the Transaction Effective Date; or
- (b) €180 million to be provided on the Transaction Effective Date and €120 million to be provided within 12 months of the Transaction Effective Date,

(the *Equity Commitment*).

51. A portion of the Equity Commitment made on the Transaction Effective Date is expected to be used to repay principal amounts outstanding prior to the Transaction Effective Date under the Shareholder Loans. As of the date of this letter, €55 million is currently outstanding under the Shareholder Loans. It is anticipated that the Shareholder Loans will be fully drawn (€97 million in total) prior to the Transaction Effective Date. None of the Equity Commitment shall be used to pay accrued and unpaid interest on the Shareholder Loans. If any principal amounts under the Shareholder Loans are unable to be repaid for any reason, the amount of the Equity Commitment due to be made on the Transaction Effective Date will be reduced on a € for € basis for the amount of the Shareholder Loans not repaid.

52. In connection with the Equity Commitment an affiliate of MSI (the *Equity Commitment Provider*) has entered into an equity commitment letter (the *ECL*) dated 22 November 2023 and addressed to the Company, the Locked-Up Creditors and the New Finance Parties (each as defined therein). Pursuant to the ECL, the Equity Commitment Provider has undertaken to provide the Equity Commitment, subject to the terms therein including the occurrence of the Transaction Effective Date. The Equity Commitment Provider's obligations cover the whole Equity Amount (to the extent other shareholders do not participate in the Equity Commitment and taking into account any principal amounts under the Shareholder Loan not repaid). To date no other shareholder has committed to provide a portion of the Equity Commitment.

53. The Equity Commitment Provider's obligations are inter-conditional with the implementation of the SSN Transaction and the SFA Transaction as further set out in

the ECL. The ECL provides the Company with comfort that if the other conditions to the Transaction are satisfied then the Equity Commitment can be provided in full.

Shareholder Support

54. To facilitate the consensual implementation of the Transaction;
 - (a) Hilbert has entered into a shareholder support letter (the *SSL*) dated 22 November 2023 and addressed to the Company and the Locked-Up Creditors (as defined therein). Pursuant to the SSL, Hilbert has undertaken to support the Transaction on similar terms to the undertakings set out in the Lock-Up Agreement; and
 - (b) on 29 December 2023, Kublai acceded to the Lock-Up Agreement and has therefore undertaken to support the Transaction.

Changes to the Intercreditor Agreement

55. The Company also proposes to make certain changes to the Intercreditor Agreement to permit implementation of the Transaction on the terms set out in the Term Sheet, including:
 - (a) implementation of a super senior debt basket: the Intercreditor Agreement will be amended to include a new category of super senior creditors to permit a super senior basket which will rank pari passu with existing first ranking creditors but will have priority over existing first ranking creditors on proceeds of enforcement of security; and
 - (b) implementation of subordinated shareholder funding: if shareholder equity is contributed in the form of a shareholder loan, such loan can be subordinated under the Intercreditor Agreement by the relevant lender acceding to the Intercreditor Agreement and will be subject to standard provisions for subordinated creditors in the Intercreditor Agreement.

IMPLEMENTATION

56. The implementation of the Equity Commitment and the Transaction as a whole while retaining the existing shareholder structure was dependent on the consents of Kublai, United Internet and Hilbert as shareholders (the *Shareholders*). As set out in paragraph 52 above, the Equity Commitment Provider agreed to provide the Equity Commitment as set out in and subject to the terms of the ECL. Prior to the date of this letter, and as detailed above Kublai, United Internet and Hilbert have each consented to the Transaction and Kublai has acceded to the Lock-Up Agreement.
57. As a further preparatory step to the Scheme, the Company intends to solicit consents of the Noteholders to change the governing law of the Existing Notes law and to amend the jurisdiction clause of the Existing Notes to the laws of England and Wales in order to facilitate the Transaction and to assist with the establishment of a sufficient connection with the courts of England and Wales as required for the purposes of the Scheme. The governing law consent solicitation is expected to be launched in advance of the Convening Hearing and requires a majority in aggregate principal amount of the Existing Notes then outstanding. A sufficient number of Noteholders are Locked-Up Creditors (and therefore bound to vote in favour of the governing law consent

solicitation) such that the Company is assured of the success of the governing law consent solicitation.

THE SCHEME

58. The following categories of creditor are *Scheme Creditors* under the proposed Scheme:

- (a) each of the Noteholders; and
- (b) each of the Lenders,

in each case as at the “Voting Record Time” (which will be specified in the Explanatory Statement).

59. A Scheme Creditor’s claim for the purposes of the Scheme comprises, in broad terms, its claims against the Company and under any related guarantees in each case contained in the relevant Finance Documents in respect of its existing principal debt claim and any accrued but unpaid interest and any other amounts payable under or in connection with the SFA or Existing Notes (*Scheme Claim*).

60. The Scheme Claims of the Scheme Creditors are to be compromised through the amendment and/or extension of the applicable Finance Documents by the Scheme as set out in more detail in paragraphs 42 to 48 above. Further detail on the proposed Transaction and its impact on the Scheme Claims of Scheme Creditors will be set out in the Explanatory Statement.

CONDITIONS TO THE SCHEME BECOMING EFFECTIVE

61. For the Scheme to become effective in accordance with its terms, the Scheme:

- (a) must be approved by a majority in number representing at least 75% in value of the single class of Scheme Creditors present and voting (in person or by proxy) at the Scheme Meeting (as defined below) convened for the purpose of considering the proposed Scheme;
- (b) must be sanctioned by the Court; and
- (c) the order sanctioning the Scheme under section 899 of the Companies Act 2006 must be delivered to the Registrar of Companies for England and Wales for registration (the *Registrar of Companies*).

62. The Scheme shall become effective in accordance with its terms on the date on which the order sanctioning the Scheme is delivered to the Registrar of Companies for registration.

63. If the Scheme becomes effective, the Scheme Creditors will, together with the Company, be bound by the terms of the Scheme irrespective of whether they voted in favour of the Scheme or whether they voted at all.

64. The Transaction (and as such the implementation of the Scheme) is subject to the satisfaction (or potential waiver) of certain conditions, including, among others, customary documentary conditions precedent including in relation to the New Notes and Amended SFA, payment of certain fees and delivery of certain information. As such, the provisions of the Scheme will only be implemented once all other conditions to the Transaction have been or are capable of being satisfied.

65. The Company is confident that all of the conditions are capable of satisfaction (or that waivers can be obtained if necessary), and further detail of the conditionality relating to the Scheme and the Transaction will be set out in the Explanatory Statement.

SCHEME JURISDICTION

66. The Company considers that the Court has jurisdiction under English law to sanction the Scheme and that there is a “sufficient connection” with England. In particular, the Court has jurisdiction in respect of the Scheme because the Company is liable to be wound up as “a company”. In addition, there is a “*sufficient connection*” because:

- (a) the SFA and Intercreditor Agreement are English law governed, and following the governing law consent solicitation described in paragraph 57 above, the Existing Notes will also have their governing law amended to English law; and
- (b) all Locked-Up Creditors will have submitted to the jurisdiction of the English Courts in relation to the Transaction pursuant to the Lock-Up Agreement following the Creditor Effective Date (which is expected to occur prior to the date of the Convening Hearing).

67. The Court will be invited to consider and determine at the Convening Hearing the question of jurisdiction. If you wish to make any submissions as to jurisdiction (or any other matters) you are invited to attend and do so at the Convening Hearing. Please set out your concerns in writing and inform the Company of your submissions in advance of the Convening Hearing (the contact details of the Company’s legal counsel are set out in paragraph 87 below).

CLASSES OF SCHEME CREDITORS

68. Under the Practice Statement, it is the responsibility of the Company to formulate the class of creditors for the purpose of convening a meeting to consider and, if thought fit, approve the proposed Scheme. The meeting must be properly constituted so that the meeting consists of creditors whose rights against the relevant company are not so dissimilar as to make it impossible for them to consult together with a view to their common interest. If the rights of the Scheme Creditors are so different or would be affected so differently by the Scheme as to make it impossible for them to consult together with a view to their common interest, they must be divided into separate classes and a separate meeting must be held for each class of creditor.

69. The Company has considered the present rights of each of the Scheme Creditors against the Company and the way in which those rights will be affected under the Scheme and, having taken legal advice (privilege in respect of which is not waived), has concluded for the reasons set out below that the Scheme Creditors fall into a single class for the purposes of voting on the Scheme, constituted of the Noteholders and the Lenders, including, in each case (where relevant), the guarantee liabilities in respect of the primary borrower liabilities.

70. The Company considers that the existing rights of the Scheme Creditors against the Company are not so dissimilar as to make it impossible for them to consult together with a view to a common interest as, in particular, having regard to the alternative to the Scheme described in the next section:

- (a) the liabilities under the Existing Notes and SFA rank *pari passu* under the Intercreditor Agreement;
- (b) the Existing Notes and SFA both benefit from the same security and guarantee package;
- (c) if the Company was to enter into an insolvency proceeding (most likely in Germany), each Scheme Creditor would be treated the same way in that proceeding; and
- (d) although there are differences between the economic terms and maturities as between the Existing Notes and SFA, these differences are not so substantial to fracture the class in circumstances where the most likely alternative to the Scheme is an insolvency of the Company followed by an accelerated distressed sale of the Group (other than the Company).

71. The Company also considers that the rights of the Scheme Creditors under the Scheme are not so dissimilar as to make it impossible for them to consult together with a view to a common interest as, in particular, having regard to the alternative to the Scheme described in the next section:

- (a) the liabilities of the Company to the Scheme Creditors will continue to rank *pari passu* under the Intercreditor Agreement (as amended and restated pursuant to the Scheme);
- (b) following the Scheme, the Scheme Creditors will benefit from identical covenant packages, security and guarantees across both the New Notes and the Amended SFA;
- (c) both the Lenders and Noteholders will have the maturities under their respective instrument extended to the same date such that the rights of the Scheme Creditors coming out of the Scheme in respect of maturity dates are identical;
- (d) the Scheme Creditors will benefit from similarly enhanced (although not identical) economic terms as each other once the Scheme is implemented and each Scheme Creditor has the right to elect (subject to the minimum New Notes and minimum and maximum Amended SFA debt) for New Notes and / or Amended SFA debt. While the Amended SFA will receive 0.5% cash interest, which the New Notes will not receive (being entitled to receive PIK interest only), the Transaction has been designed to equalise the rights under the Scheme as far as practicable having regard, in particular, to the identical rates of interest and fees and the foregoing election right between the two different kinds of debt along with the payment to the New Noteholders of accrued but unpaid interest up until 2 December 2023 in cash at the Transaction Effective Date. The economics received by each Scheme Creditor are as close to identical as possible, whether they are Lenders or Noteholders. As such, while there are minor structural differences in the manner in which these economics are delivered these differences are not so significant as to prevent Scheme Creditors from consulting together in a single class; and
- (e) the SSN/SFA Election will be open to all Scheme Creditors subject to such Scheme Creditors being Eligible Persons. For those Scheme Creditors who are

not Eligible Persons, it will be possible for such Scheme Creditor to nominate a recipient who is an Eligible Person for receipt of the consideration arising from the Scheme. As such, the eligibility requirements of the SSN/SFA Election (as described in paragraph 48 above) are neither material nor unfair and do not prevent Scheme Creditors from consulting together in a single class.

72. Before concluding that it is appropriate for the Scheme Creditors to vote in a single Scheme Meeting, the Company also considered the following matters:

- (a) the Company does not consider that the Scheme Creditors who have acceded to the Lock-Up Agreement need to be put into a separate class for the purpose of voting on the Scheme, particularly as:
 - (i) all Scheme Creditors were given equal opportunity to accede to the Lock-Up Agreement; and
 - (ii) the Scheme will affect the rights of each Scheme Creditor in the same way, regardless of whether a Scheme Creditor acceded to the Lock-Up Agreement,
- (b) the Company does not consider that the Scheme Creditors who are entitled to receive the Early Consent Fee or Late Consent Fee need to be put into a separate class for the purposes of voting on the Scheme, particularly as:
 - (i) all Scheme Creditors were given equal opportunity to accede, before the relevant date, to the Lock-Up Agreement and therefore to become entitled to receive the Early Consent Fee or Late Consent Fee; and
 - (ii) the Company considers that the quantum of neither the Early Consent Fee nor Late Consent Fee is material and that it is unlikely that a Scheme Creditor who considered the substantive aspects of the Scheme to be against their interests would be persuaded by the payment of the Early Consent Fee or Late Consent Fee to vote in favour of the Scheme.

73. Finally, the Company notes that it has agreed with one of its commercial banking service providers, and Scheme Creditor, ING, to an annual bilateral meeting to discuss the Company. The Company considers in relation to the Scheme, that this arrangement is immaterial, particularly in light of the frequency and the pre-existing commercial relationship between the parties. The Company does not consider that this arrangement has any impact on the proposed class of Scheme Creditors.

74. Accordingly, it is proposed that a single Scheme Meeting be convened for the purposes of considering and, if the Scheme Creditors think fit, approving the Scheme.

75. Therefore, in order for the Scheme to become effective, it must be approved by a majority in number representing not less than 75% in value of the Scheme Creditors who vote at the Scheme Meeting (in addition to being sanctioned by the Court at the subsequent sanction hearing, further details of which will be set out in the Explanatory Statement).

ALTERNATIVES TO THE SCHEME

76. If the Scheme is not approved by the requisite majorities of Scheme Creditors so as to become effective, the Transaction will not take place. If the Transaction is not implemented, the conditions to the Equity Commitment will not be satisfied.
77. The Company anticipates that in that scenario, the Lock-Up Agreement is likely to be terminated, the amendments and consents made pursuant to the Majority Consents, the 90% Consents in respect of the Existing Notes and the SFA Consents and forbearances extended by the Lenders which are a party to the Lock-Up Agreement would fall away. As a result, in that scenario, the Company would (absent any additional funding being provided) be likely to face severe liquidity issues by March 2024.
78. The supervisory board and management of the Company believe that, in light of the considerable effort and time taken to agree the proposed Transaction with key stakeholders and the impending liquidity issues and maturities under the relevant Finance Documents, the prospects of agreeing an alternative transaction that would leave the Group with sufficient sustainable liquidity and a viable capital structure before it would become necessary for the Company to file for insolvency due to over-indebtedness according to the German Insolvency Code are remote.
79. In such a scenario, the Company is likely to enter into formal insolvency proceedings in Germany. Such proceedings are likely to be a *Regelinsolvenzverfahren*, being the usual administrative insolvency proceedings in Germany in which the appointed officeholder will administer the company's assets and realise them in favour of creditors. As part of such proceedings, it is expected that an officeholder would pursue an accelerated distressed sale of the Group (other than the Company). It is anticipated that the most likely transaction with a view to maximising recoveries would be the sale of the business of the Group to a single buyer by an asset sale on the Company level and one or more share sales of the Company's subsidiaries.
80. The purpose of the Transaction is to prevent the need for the Company to enter into formal insolvency proceedings and to provide the Company and the Group with a stable platform to deliver on its business plan. The supervisory board and management of the Company believe that the recoveries for Scheme Creditors in a formal insolvency would be materially lower than those which are likely under the Transaction which are expected to result in repayment in full of Scheme Creditors' debt with increased interest rates. The Group has commissioned analysis from PricewaterhouseCoopers GmbH on the estimated outcomes for Scheme Creditors in an insolvency scenario to evidence this (the **PWC Report**). The final PWC Report will be appended to the Explanatory Statement along with a summary of the expected recoveries in the alternative scenario.
81. The supervisory board and management of the Company consider that the implementation of the Transaction including through the Scheme is the only option presently available to the Company in order to avoid a value destructive insolvency process. The supervisory board and management of the Company therefore unanimously support these proposals and seek the support of the Scheme Creditors.

COURT HEARING

82. The Company is currently scheduled to apply to the Court at a Court hearing in the Companies Court, Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL

(the **Convening Hearing**) to be held on 17 January 2024 for an order granting the Company certain directions in connection with the Scheme, including permission to convene the meeting of the Scheme Creditors to vote upon the Scheme (the **Scheme Meeting**). The Scheme Meeting will be convened for the single class of creditors as described in paragraphs 68 to 74 above.

83. The precise time of the Convening Hearing will be notified to you as soon as it has been finally fixed by the Court (this is not likely to be until 16 January 2024). Scheme Creditors will be notified in advance of any change to the date of the Convening Hearing.
84. Scheme Creditors have the right to attend themselves or through counsel and make representations at the Convening Hearing, although they are not obliged to do so. At the Convening Hearing, the Company will also draw to the Court's attention any issues raised by Scheme Creditors in response to this letter.
85. This letter is intended to provide Scheme Creditors with sufficient information regarding the Scheme. Should they wish to raise issues that relate to the jurisdiction of the Court to sanction the Scheme or to raise any other issues in relation to the constitution of the Scheme Meeting or which might otherwise affect the conduct of such Scheme Meeting, they may attend and be represented before the Court at the Convening Hearing. Scheme Creditors are also able to raise other issues at the Convening Hearing.
86. Scheme Creditors should be aware that the Court has previously indicated that issues which may arise as to the constitution of the meeting of creditors or which otherwise affect the conduct of the Scheme Meeting or which affect the jurisdiction of the Court to sanction the Scheme should be raised at the Convening Hearing. However, the issue of jurisdiction will only be finally determined at the subsequent Court hearing to sanction the Scheme.

THE ACTION YOU SHOULD NOW TAKE

87. If you wish to make any submissions as to the Company's proposals regarding the convening of the Scheme Meeting as outlined above, or wish to raise any other issue in relation to the proposed constitution of the Scheme Meeting, jurisdiction or any other matters that otherwise affect the conduct of the Scheme Meeting, you are invited to attend and do so at the Convening Hearing. Please set out your concerns in writing and inform the Company of your submissions in advance of the Convening Hearing by contacting Marcopolo2023@freshfields.com, a group mailbox of Freshfields Bruckhaus Deringer LLP, legal counsel to the Company.
88. Please note that if the Scheme is approved at the Scheme Meeting, it will be possible for Scheme Creditors to raise objections on the questions of classes and jurisdiction at the subsequent Court hearing to sanction the Scheme, the details for which will be notified in advance to Scheme Creditors. However, in that event, the Court is likely to expect Scheme Creditors to show good reason why they did not object at an earlier stage. Scheme Creditors should therefore raise any such issues at the Convening Hearing.
89. Following the Convening Hearing, provided the Court gives its permission to convene the Scheme Meeting, the Company will notify you in accordance with the directions of

the Court of the time, date and venue of the Scheme Meeting, set out how you may vote at the Scheme Meeting and provide further details of the terms of the proposed Scheme.

90. Should you wish to make representations to the Company, you may do so by way of email to Marcopolo2023@freshfields.com, a group mailbox of Freshfields Bruckhaus Deringer LLP, legal counsel to the Company. Please also notify the Company whether you intend on attending in person the relevant Scheme Meeting by way of email to the Company's legal counsel using the addresses above.
91. **If you have assigned, sold or otherwise transferred your interests in the SFA or the Existing Notes, or intend to do so before 7 February 2024 (the expected Voting Record Date for the purpose of the Scheme Meeting), you should forward a copy of this letter to the person or persons to whom you have assigned, sold or otherwise transferred such interests or the person or persons to whom you intend to assign, sell or otherwise transfer such interests.**

NEXT STEPS

92. Following the Convening Hearing, if permission to convene the Scheme Meeting is granted by the Court, you will be provided with copies of the following documents:
 - (a) a notice convening the Scheme Meeting;
 - (b) the Explanatory Statement required to be provided pursuant to section 897 of the Companies Act 2006;
 - (c) a copy of the Scheme document; and
 - (d) the Scheme Creditor letter including the relevant forms by which Scheme Creditors may cast their vote on the Scheme and make elections in respect of the SSN/SFA Election.

(the *Scheme Documentation*)
93. The Scheme Documentation will be made available on the Information Agent's Scheme website (<https://deals.is.kroll.com/telecolumbus>) as well as being sent to Noteholders via the clearing systems and lenders via the Facility Agent under the SFA. An announcement will also be made on the Company's website.

Yours faithfully



For and on behalf of
Tele Columbus AG
Name: **Markus Oswald**
Title: **CEO**