

PRESS RELEASE

Publication of first quarter results for fiscal year 2019

Tele Columbus starts into the Year according to Plan, Management confirms FY 2019 Guidance

- **Revenue at EUR 120.1m, down 2.7% year on year**
- **Normalised EBITDA at EUR 56.8m, down 13.1% year on year (pro-forma IFRS 16: EUR 54.9m, down 16.0% year on year)**
- **Capex at EUR 41.8m, up 32.7% year on year (pro-forma IFRS 16: EUR 39.8m, up 26.3% year on year)**
- **Based on operational improvements, EBITDA growth is expected to accelerate in H2**

Berlin, 29 May 2019. Tele Columbus AG (ISIN: DE000TCAG172, WKN: TCAG17, "Tele Columbus", "the Company" or "the Group"), one of Germany's leading fibre-based network operators, today published its results for the first quarter of fiscal year 2019.

Tele Columbus started into the year 2019 in-line with expectations and is on track regarding its transformation. The first quarter showed the lowest churn of homes connected since the integration of Primacom and Pepcom and the Company's performance was additionally boosted by both organic and inorganic growth. As a result, Tele Columbus started into the year with an increase of 48,000 homes connected versus year-end 2018.

The consumer business showed a stable development in terms of Internet RGUs, and was able to grow CATV RGUs on the basis of the increase in homes connected. Telephony RGUs continued to decline, however at a reduced rate of 4,000 versus 8,000 in the previous four quarters. The product portfolio was further fine-tuned and re-launched as of April 2019 and continues to be supported by higher marketing investments.

The B2B business again showed double digit growth year on year, sustained by a strong market position and healthy demand in the carrier segment. The business continues to expand its customer base by leveraging the opportunities of the group's integrated network.

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Significant progress was also made in digitalising Tele Columbus' networks. As of the end of March, 1.5 million homes receive digital TV signal only. This project is a key contributor to enabling faster download speeds and more high-definition content, ultimately extending the technological advantage of the Group's network.

The additional capacity will be used for the rollout of DOCSIS 3.1. In February, the Company announced Berlin to become its first gigabit city where around one million inhabitants will be able to surf at up to 1 Gbit/s. Tele Columbus continues to invest into its networks in order to provide future-proof infrastructure for the housing industry, consumers and B2B businesses across its footprint.

"I am very happy to see the Company's major progress across all areas. In particular, I am convinced that improving customer satisfaction will translate into financial performance in the future", underlines Timm Degenhardt, CEO of Tele Columbus AG.

Q1 Financial Performance

Revenues in the first quarter of 2019 decreased as expected by 2.7% year on year to EUR 120.1 million driven by lower CATV revenues (down 6.4% year on year). This development is explained by the high comparable base of 2018, which was driven by one-offs. Furthermore, feed-in fees from programme providers declined due to the analogue switch-off. Internet and Telephony revenues stabilized after three consecutive quarters of decline, whereas the B2B performance contributed by growing 19.7% year on year. Construction revenues also increased, however these revenues are of low margin.

Normalised EBITDA decreased by 13.1% year on year to EUR 56.8 million (pro-forma IFRS 16: EUR 54.9 million, down 16.0% year on year). This was driven by lower revenues, a strong reduction in "normalized other income" of 52% year on year, as well as increased investments into marketing, signal delivery and B2B growth initiatives. Non-recurring costs continued to improve to EUR 9.3 million down 14.5% year on year and are expected to decline further in the remainder of the year. Reported EBITDA amounted to EUR 47.5 million (pro-forma IFRS 16: EUR 45.6 million) and in-line with the average quarterly run-rate since mid-2017 of EUR 47.0 million.

Capex in the first quarter of 2019 amounted to EUR 41.8 million up 32.7% year on year (pro-forma IFRS 16: EUR 39.8 million, up 26.3% year on year) as a result of Tele Columbus' ongoing high investments into its network thereby laying the basis for future growth. Moreover this amount includes the acquisition of a smaller network level 4 operator.

As of 31 March 2019, the Group reported approximately 3.4 million homes connected which is a sequential growth of 48,000. The number of homes connected and upgraded for two-way communication on the Company's own network increased by

32,000 sequentially to 2,331,000 in the first quarter 2019 which represents a ratio of 68.8%. Moreover, by the end of March the Company served 2,309,000 unique subscribers, an increase of 17k versus previous quarter, which translates into 2,269,000 CATV RGUs (7,000 more quarter on quarter), 551,000 Premium TV RGUs (7,000 less quarter on quarter), 575,000 Internet RGUs (1,000 more quarter on quarter) and 435,000 Telephony RGUs (4,000 less quarter on quarter).

Guidance 2019

Following the stable development of the first quarter and continued progress in the transformation of the Company, the management board confirms its guidance for 2019:

- Broadly stable Homes Connected versus year-end 2018
- Broadly stable Revenues year on year
- Broadly stable Normalised EBITDA year on year
- Broadly Stable CAPEX year on year

Upcoming events

21 June 2019: Annual general meeting 2019

29 August 2019: Release of half-year report for fiscal year 2019

29 November 2019: Release of third quarter results for fiscal year 2019

Summary table (under IFRS 16)

mEUR	Q1 2018	Q1 2019	yoy %
Revenues	123.4	120.1	(2.7)
Normalised EBITDA	65.4	56.8	(13.1)
<i>Normalised EBITDA margin, %</i>	<i>52.9</i>	<i>47.3</i>	<i>(5.6)ppt</i>
Reported EBITDA	54.5	47.5	(12.8)
Net Income	10.3	(10.0)	n/a
RGU as per end of period (in '000) ¹			
CATV	2,309	2,269	
Internet ²	575	575	
Telephony ³	547	435	
PremiumTV	424	551	

1) RGUs reflect the KPI adjustment per Q3 2018

2) Internet RGUs include individually-billed B2C, B2B and 89k bulk RGUs

3) Telephony RGUs include individually-billed B2C, B2B and 89k bulk RGUs

About us

Tele Columbus AG is one of Germany's leading fibre network operators which reaches more than 3 million homes. Via its brand PŸUR, the Company, offers high-speed internet including telephony and more than 250 TV channels. All of this via a digital entertainment platform that combines linear TV with video on demand entertainment. To its housing association partners the Tele Columbus Group offers tailored models of cooperation and state-of-the-art services such as telemetric and tenant portals. As a full-service partner for municipalities and regional utilities, the Company is actively supporting the fibre-based infrastructure and broadband internet expansion in Germany. For its business customers the Group offers carrier services and corporate solutions on its proprietary fibre network. Besides its headquarter in Berlin, the Company has locations in Hamburg, Leipzig, Ratingen and Unterföhring/Munich. Since January 2015, Tele Columbus AG is listed on the regulated market (Prime Standard) of the Frankfurt Stock exchange.

Disclaimer

This release may contain forward-looking statements. These statements reflect the Company's current knowledge and expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties, assumptions and other factors that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Such risks, uncertainties and assumptions may cause our actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this document.

This release contains references to certain non-GAAP financial measures, such as Normalized EBITDA and Capex, and operating measures, such as RGUs, ARPU, and Unique Subscribers calculations. These non-GAAP financial and operating measures should not be viewed in isolation as alternatives to measures of the Company's financial condition, results of operations or cash flows as presented in accordance with IFRS. The non-GAAP financial and operating measures used by the Company may differ from, and not be comparable to, similarly titled measures used by other companies.

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