

PRESS RELEASE

Publication of third quarter results for fiscal year 2019

Tele Columbus increases Reported EBITDA significantly and confirms FY 2019 guidance

- **Revenues at EUR 123.2 million, a decrease of 3.5% year on year**
- **Reported EBITDA at EUR 55.2 million, up 10.5% year on year (incl IFRS 16: EUR 57.1 million, up 14.4% year on year)**
- **Capex at EUR 38.2 million, down 18.8% year on year (incl IFRS 16: EUR 41.6 million, down 11.5% year on year)**
- **Management confirms FY 2019 guidance on all metrics**

Berlin, 29. November 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 third quarter of fiscal year 2019.

Since the beginning of 2018, the management of Tele Columbus has started a broad transformation process to return the Company back to growth. As part of this, the Company successfully implemented several initiatives to improve both the customer service as well as its network quality. The customer service quality was independently testified and the PŸUR hotline was rated with "very good" in the latest CHIP test, a widely-read consumer magazine in Germany. Between the fourth quarter 2017 and October 2019 the Company managed to increase its customer satisfaction (NPS) across all contact channels significantly. This resulted in a return to organic IP RGU growth in the second half of 2019 as guided for since the beginning of the year. Against this backdrop, the Company delivered a strong increase in Reported EBITDA of 10.5% year on year to EUR 55.2 million in the third quarter of 2019.

Another milestone in Tele Columbus' strategic repositioning is the decision to open its network, resulting in a wholesale agreement with Telefónica Deutschland as announced in October. With continuous network upgrades to FTTB/FTTH, the additional capacity will be monetized by allowing other operators to offer high bandwidth IP products on the Company's infrastructure. This enables Tele Columbus to accelerate the rate at which the networks are upgraded, securing a strong long-term position in Germany's fibre infrastructure market.

Management Board
Timm Degenhardt (CEO)
Eike Walters

Chairman of the Supervisory Board
Dr Volker Ruloff

Registered office of the company
Kaiserin-Augusta-Allee 108
10553 Berlin, Germany
District Court
Berlin Charlottenburg
HRB 161349 B

Press contact
Silke Bernhardt
Director Corporate Communications
Phone +49 (30) 3388 4170
presse@telecolumbus.de
www.telecolumbus.com

IR contact
Leonhard Bayer
Senior Director Investor Relations
Phone +49 (30) 3388 1781
ir@telecolumbus.de
www.telecolumbus.com

PYUR Business continued its successful performance over the first nine months of 2019 with increasing revenues and contribution margin year on year. Given the recently inaugurated data centre in Leipzig, PYUR Business will be able to expand its capacity significantly for state-of-the-art data centre solutions and thereby being able to capture additional market share in this fast growing segment.

Another success of the Tele Columbus Group was its commissioning to further expand the fibre-based network in the city of Halle (Saale). As part of the tender, the Group will connect around 60 schools, 800 businesses and an additional 2,100 households. Already today, the Tele Columbus Group has a leading presence in the metro area of Halle/Leipzig, a growing region in Germany. Moreover, the Company successfully prolonged and upgraded around 13,000 households across Germany over the course of the third quarter 2019 further strengthening its position as the preferred partner for the German housing industry.

“I am very pleased with the tangible progress that we are making in transforming the business. We are convinced that with continued performance improvements, we will return the Company to growth”, states Timm Degenhardt, CEO of Tele Columbus AG.

Q3 Financial Performance

Revenues in the third quarter of 2019 amounted to EUR 123.2 million, 3.5% less compared to the same quarter last year. This was mainly driven by a 16% year on year decline in other sales including construction work. Positively, Internet and Telephony revenues increased by 5.8% year on year to EUR 36.6 million. TV revenues decreased by 4.8% year on year to EUR 59.2 million as a result of RGU losses in a structurally challenging market.

Normalised EBITDA increased by 1.2% year on year to EUR 59.3 million (including IFRS 16: EUR 61.2 million, up 4.5% year on year). Non-recurring costs continued to decline in the third quarter to EUR 4.1 million, down 52.5% year on year and are expected to decline further in the remainder of the year. As a result, Reported EBITDA increased strongly by 10.5% year on year to EUR 55.2 million (including IFRS 16: EUR 57.1 million, up 14.4% year on year).

Capex in the third quarter of 2019 decreased significantly by 18.8% year on year to EUR 38.2 million (including IFRS 16: EUR 41.6 million, down 11.5% year on year) as a result of a high comparable base that was impacted by integration-related investments as well as pent-up demand for capacity initiatives last year.

As of 30 September 2019, the Group reported approximately 3.4 million homes connected. The number of homes connected and upgraded for two-way communication

on the Company's own network increased by 6,000 sequentially to 2,346,000 in the third quarter 2019 which represents a ratio of 69.6%. Moreover, by the end of September the Company served 2,280,000 unique subscribers, a decrease of 24,000 sequentially, which translates into 2,234,000 CATV RGUs (24,000 less quarter on quarter), 545,000 Premium TV RGUs (8,000 less quarter on quarter), 579,000 Internet RGUs (2,000 more quarter on quarter) and 429,000 Telephony RGUs (2,000 less quarter on quarter).

Guidance 2019

On the back of the third quarter results which came in line with internal expectations 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

29 November 2019: Publication of Q3 results 2019 and conference call at 10:00am CET ([click here](#))

31 March 2020: Publication of annual report 2019

20 May 2020: Publication of Q1 results 2020

28 May 2020: Annual general meeting (Berlin)

18 August 2020: Publication of half-year report 2020

13 November 2020: Publication of Q3 results 2020

Summary table (including IFRS 16)

€m	Q3 2018	Q3 2019	yoy %	9M 2018	9M 2019	yoy %
Revenues	127.7	123.2	(3.5)	367.8	369.7	0.5
Normalised EBITDA	58.6	61.2	4.5	176.6	176.4	(0.1)
<i>Normalised EBITDA margin, %</i>	<i>45.9</i>	<i>49.7</i>	<i>3.8ppt</i>	<i>48.0</i>	<i>47.7</i>	<i>(0.3)ppt</i>
Reported EBITDA	49.9	57.1	14.4	142.6	155.0	8.7
<i>Reported EBITDA margin, %</i>	<i>39.1</i>	<i>46.3</i>	<i>7.2ppt</i>	<i>38.8</i>	<i>41.9</i>	<i>3.1ppt</i>
Capex	47.0	41.6	(11.5)	124.2	108.0	(13.0)
<i>Capex / Revenues, %</i>	<i>36.8</i>	<i>33.8</i>	<i>(3.0)ppt</i>	<i>33.8</i>	<i>29.2</i>	<i>(4.5)ppt</i>
RGU as per end of period (in '000) ¹						
CATV	2,278	2,234		2,278	2,234	
Internet ²	571	579		571	579	
Telephony ³	448	429		448	429	
Premium TV	553	545		553	545	

1) RGUs reflect the KPI adjustment per Q3 2018

2) Internet RGUs include individually-billed B2C, B2B and 93k bulk RGUs

3) Telephony RGUs include individually-billed B2C, B2B and exclude 93k bulk RGUs

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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