

PRESS RELEASE

Publication of preliminary fourth quarter and full-year results 2019

FY 2019 guidance met on all metrics with strong Q4 results

- **Q4 Revenues at EUR 129.7 million, an increase of 2.4% year on year**
- **Reported EBITDA in Q4 at EUR 56.8 million, up 21.1% year on year (incl IFRS 16: EUR 59.2 million, up 26.2% year on year)**
- **Capex at EUR 52.9 million in Q4, up 51.8% year on year (incl IFRS 16: EUR 54.1 million, up 55.1% year on year)**
- **Management expects further growth in Reported EBITDA for FY 2020 pro-forma for any COVID-19 impacts**

Berlin, 27. March 2020. Tele Columbus AG (ISIN: DE000TCAG172, WKN: TCAG17, "Tele Columbus", "the Company" or "the Group"), one of Germany's leading fibre network operators, today published its preliminary fourth quarter and full-year results for fiscal year 2019.

Tele Columbus finished 2019 by successfully reaching all of management's guidance metrics. Strongly improving customer loyalty metrics have translated into increasing RGUs, finally driving robust year on year development of the financials. Over the course of 2019, the visible turnaround of the Company has begun to bear fruits.

In the consumer business, the numerous customer service and network initiatives led to further strong NPS improvements across all contact channels in the fourth quarter. These positive developments contributed to the strong results that PŸUR recently scored in independent tests. In its recent broadband test, Connect, the widely-read tech magazine ranked PŸUR "good", and improving strongly year on year. Moreover, the experts of ntv/DISQ awarded PŸUR first place as "best regional triple play provider". Service and network distribution improvements lead to a clear acceleration of organic growth in Internet and Telephony RGUs to the tune of 8,000 RGUs in Q4.

Tele Columbus' B2B activities showed continued double-digit growth in the fourth quarter of 2019. Revenues increased by almost 30% year on year as a result of strong demand for B2B carrier solutions, cloud computing, outsourcing and digitalisation services. In October, PŸUR Business started operations of its second data centre, laying the foundation for further growth in 2020.

Management Board
Dr Daniel Ritz (CEO)
Timm Degenhardt
Eike Walters

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The housing industry unit grew homes connected over the course of 2019 by decreased churn to the lowest level since 2017. Continued stability in the core business with housing associations is the foundation for the business model of Tele Columbus. Further proof of this was delivered by the announcement of the prolongation with WOGETRA, covering more than 7,000 households in Leipzig. All of WOGETRA's premises are to be upgraded to FTTB (fibre to the building).

Timm Degenhardt, outgoing CEO, highlights: "The pace of the turn-around is, given the desolate operational condition in 2017, remarkable. The Company now has the structure and strength to deliver long-term growth, while exploiting opportunities in the attractive FTTH market. I would like to thank all my colleagues for their contribution to making this happen and I wish Dr Ritz all the best in his new role".

Dr Daniel Ritz, CEO of Tele Columbus AG since 1 February 2020, comments: "Today's results show that the team has made visible progress in turning the Company around. I am very excited to have joined Tele Columbus at this critical juncture and to lead the Company on its long-term growth path. Tele Columbus has a very resilient business model which will allow us to weather the present circumstances."

Q4 Financial Performance

Revenues in the fourth quarter of 2019 amounted to EUR 129.7 million, up by 2.4% year on year. This was mainly driven by an increase B2B revenues to EUR 19.3 million, up 28.7% year on year as well as Internet & Telephony revenues increasing to EUR 35.7 million, up by 2.3% year on year. These developments overcompensated for a decline in TV revenues by 4.1% year on year to EUR 59.0 million as a result of RGU losses in a structurally challenging market.

Normalised EBITDA increased by 2.2% year on year to EUR 60.6 million (including IFRS 16: EUR 63.1 million, up 6.3% year on year). Non-recurring costs continued to decline in the fourth quarter to EUR 3.9 million, down EUR 21.0 million year on year, the lowest amount since IPO (initial public offering) in 2015. As a result, Reported EBITDA increased strongly by 21.1% year on year to EUR 56.8 million (including IFRS 16: EUR 59.2 million, up 26.2% year on year).

Capex in the fourth quarter of 2019 increased significantly by 51.8% year on year to EUR 52.9 million (including IFRS 16: EUR 54.1 million, up 55.1% year on year) as a result of strong increases in investments into Customer Projects (eg construction and modernisation of network layers 3 and 4, customer premise equipment etc) and in Others like in-house IT and the modernisation of the Company's Berlin-based headquarters.

As of 31 December 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 4,000 sequentially to 2,350,000 in the fourth quarter 2019 which represents a ratio of 69.6%. Moreover, by the end of December the Company served 2,268,000 unique subscribers, a decrease of 14,000 sequentially, which translates into 2,218,000 CATV RGUs (15,000 less quarter on quarter), 543,000 Premium TV RGUs (2,000 less quarter on quarter), 584,000 Internet RGUs (5,000 more quarter on quarter) and 432,000 Telephony RGUs (3,000 more quarter on quarter).

Guidance FY 2020 pro-forma for any COVID-19 impacts

On the back of the preliminary fourth quarter results which came in line with internal expectations and continued progress in the transformation of Tele Columbus, the management board expects the below development for fiscal year 2020. Today's FY 2020 guidance does not reflect any impact from the COVID-19 outbreak. The management board is closely monitoring the situation and will update the public along the Company's Q1 2020 results due on 20 May:

- Revenues of between EUR 465-475 million*
 - (reflecting the phase out of construction work)
- Reported EBITDA of between 225-230 million
- CAPEX of between EUR 140-150 million

*FY2019 revenues excl construction work amounted to around EUR 470 million

Upcoming Events

27 March 2020: Analyst and Investor Conference Call at 10:00am CET ([click here](#))

31 March 2020: Publication of Final Full-Year Results and Annual Report 2019

20 May 2020: Publication of Q1 2020 Results

28 May 2020: Annual General Meeting (Berlin)

18 August 2020: Publication of Half-Year 2020 Report

13 November 2020: Publication of Q3 2020 Results

Summary table (including IFRS 16)

€m	Q4 2018	Q4 2019	yoy %	FY 2018	FY 2019	yoy %
Revenues	126.6	129.7	2.4	494.4	499.4	1.0
Normalised EBITDA	59.3	63.1	6.3	236.0	239.5	1.5
<i>Normalised EBITDA margin, %</i>	46.8	48.7	1.9ppt	47.7	48.0	0.3ppt
Reported EBITDA	46.9	59.2	26.2	189.5	214.2	13.0
<i>Reported EBITDA margin, %</i>	37.0	45.6	8.6ppt	38.3	42.9	4.6ppt
Capex	34.9	54.1	55.1	159.0	162.1	1.9
<i>Capex / Revenues, %</i>	27.5	41.7	14.2ppt	32.2	32.5	0.3ppt
RGU as per end of period (in '000)¹	Q4 2018	Q4 2019	chg in '000	FY 2018	FY 2019	chg in '000
CATV	2,262	2,218	(44)	2,262	2,218	(44)
Internet ²	574	584	10	574	584	10
Telephony ³	439	432	(7)	439	432	(7)
Premium TV	558	543	(15)	558	543	(15)

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

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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