

PRESS RELEASE

Publication of first quarter results for fiscal year 2020

Management confirms FY guidance amid solid start into 2020

- **Q1 core revenues at EUR 115.0 million (excl construction work), flat year on year**
- **Reported EBITDA in Q1 at EUR 55.5 million, up 17% year on year due to significantly lower non-recurring costs**
- **Capex at EUR 30.2 million in Q1, down 12% year on year**
- **Management confirms its FY 2020 guidance pro-forma for any COVID-19 impacts**

Berlin, 20 May 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 first quarter results for fiscal year 2020.

Tele Columbus started into the year 2020 with a solid performance. The COVID-19 pandemic did not have any impact on the Company's first quarter results.

In the consumer business, Q1 was the fourth consecutive quarter of organic Internet RGU growth. While net additions followed the typical Q1 seasonality, the quarterly net add performance improved across all product segments year-on-year on a like-for-like basis: Internet was better by 3,000 RGUs, Telephony by 6,000 RGUs, CATV by 6,000 RGUs and Premium TV by 3,000 RGUs.

Tele Columbus' B2B activities showed continued double-digit growth in the first quarter of 2020 and the project pipeline remains intact and unaffected by COVID-19. Revenues in the first quarter increased by 17.4% year-on-year as a result of strong demand for B2B carrier solutions, classical ISP as well as data centre services. Absolute Contribution Margin expanded by 11.4% year-on-year to EUR 7.8 million as a result of revenue mix effects. Overall profitability remained high in the first quarter of 2020 with 57% of relative Contribution Margin.

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The housing industry business successfully managed to keep the number of homes connected broadly stable in the first quarter of 2020 at around 3.4 million. The pipeline of prolongations and new projects remains intact and unaffected by COVID-19, with an increasing demand for fibreisation. Tele Columbus continues to be a partner of choice for the housing industry.

In the context of today's publication, Dr Daniel Ritz, CEO of Tele Columbus AG, comments: "Our first quarter results display a solid start into the year, unaffected by COVID-19, with growth in Reported EBITDA year-on-year in line with internal expectations. We are thus today confirming our guidance for fiscal year 2020, but continue to closely monitor the situation and will update the market with our half-year report in August. We are also planning for a comprehensive strategic update on the same occasion."

Q1 Financial Performance

Core revenues in the first quarter of 2020 amounted to EUR 115.0 million, flat year on year. This was the result of mix effects with B2B revenues increasing by 17.4% year on year to EUR 13.6 million, as well as Internet & Telephony revenues increasing to EUR 35.9 million, up by 2.8% year on year. These developments overcompensated for a decline in TV revenues by 4.6% year on year to EUR 54.4 million as a result of RGU losses in a structurally challenging market.

Normalised EBITDA increased by 0.5% year on year to EUR 57.1 million. Non-recurring costs continued to decline strongly in the first quarter to EUR 1.6 million, down EUR 7.7 million year on year. As a result, Reported EBITDA increased strongly by 16.9% year on year to EUR 55.5 million.

Capex in the first quarter of 2020 decreased by 11.8% year on year to EUR 30.2 million. This was mainly a result of a normalisation of investments compared to the same period last year which was still impacted by pent-up demand for capacity initiatives.

As of 31 March 2020, the Group reported approximately 3.4 million homes connected. Moreover, the Company served 2,258,000 unique subscribers by the end of March, a decrease of 10,000 sequentially, which translates into 2,184,000 CATV RGUs (34,000 less quarter on quarter), 540,000 Premium TV RGUs (4,000 less quarter on quarter), 585,000 Internet RGUs (1,000 more quarter on quarter) and 430,000 Telephony RGUs (2,000 less quarter on quarter).

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

On the back of the first quarter results which came in line with internal expectations the management board confirms its FY 2020 guidance pro-forma for any COVID-19 impacts:

- 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

- 20 May 2020: Publication of Q1 2020 results // Analyst and investor conference call at 10:00am CET
 - Webcast: ([click here](#))
 - Quarterly Statement: ([click here](#))
- 18 August 2020: Publication of half-year 2020 report
- 13 November 2020: Publication of Q3 2020 results

Summary table

€m	Q1 2019	Q1 2020	yoy %
Core revenues (like-for-like)	114.6	115.0	0.3
Reported EBITDA	47.5	55.5	16.9
<i>Reported EBITDA margin, %</i>	39.6	48.3	8.7ppt
Capex	34.2	30.2	(11.8)
<i>Capex / Core revenues, %</i>	29.8	26.3	3.5ppt
RGU as per end of period (in '000)	Q1 2019	Q1 2020	chg in '000
CATV	2,269	2,184	(85)
Internet ¹	575	585	10
Telephony ²	435	430	(5)
Premium TV	551	540	(11)

1) Internet RGUs include individually-billed B2C, B2B and c94k bulk RGUs

2) Telephony RGUs include individually-billed B2C, B2B and exclude c94k 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.

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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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