

PRESS RELEASE

Publication of second quarter and half-year results for fiscal year 2020

Solid second quarter results, management confirms FY 2020 guidance, "Fiber Champion" strategy defined

- **Q2 core revenues at EUR 116.4 million (excl construction work), down 1% year on year (like-for-like)**
- **Reported EBITDA in Q2 at EUR 57.1 million, up 13% year on year due to significantly lower non-recurring costs and fewer opex**
- **Capex at EUR 32.2 million in Q2, flat year on year**
- **Management confirms FY 2020 guidance pro-forma for one-off costs in relation to its strategic review, outlines its "Fiber Champion" strategy**

Berlin, 18 August 2020. Tele Columbus AG (ISIN: DE000TCAG172, WKN: TCAG17, "Tele Columbus", "the Company" or "the Group"), one of Germany's leading fiber network operators, today published its second quarter and half year results for fiscal year 2020.

Tele Columbus progressed in 2020 with a solid performance in the second quarter which continued to not be impacted by the COVID-19 pandemic.

In the consumer business, Q2 was the fifth consecutive quarter of organic Internet RGU growth amounting to 4,000 net additions. Also Telephony RGU improved annually as well as sequentially and amounted to 3,000 net additions. In the TV segment the negative trend of previous quarters continued resulting in a customer base decrease of 17,000 RGUs on basic linear TV as well as 4,000 RGUs on Premium TV.

In its most recent issue, connect, Europe's biggest telecom magazine, tested the service hotlines operated by the leading German internet service providers. The PÿUR service team earned top marks for "solid expertise and doing a good job advising customers, plus reaching them is faster and more convenient than the industry leader", scoring second place in the overall test.

Tele Columbus' B2B activities showed continued double-digit growth in the second quarter of 2020 with revenues increasing by 13.8% year-on-year as a result of strong

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demand for B2B carrier solutions, classical ISP as well as data centre services. Profitability improved sequentially in the second quarter of 2020 with 62% of relative Contribution Margin, driven by revenue mix effects.

The housing industry business successfully managed to keep the number of homes connected stable in the second quarter of 2020 at around 3.3 million. The pipeline of prolongations and new projects remains intact and unaffected by COVID-19, with an increasing demand for fiber upgrades. 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: "We continue to make progress in 2020, as demonstrated by the solid operational performance in the second quarter. This progress is also recognised externally by way of our improved scores in the connect tests." With regard to the strategic review announced alongside the Q1 publication in May, Dr Ritz adds: "Over the course of the last few weeks we have firmed up and detailed our "Fiber Champion" strategy centred on the three pillars (i) FTTB/H upgrades, (ii) penetration upside and (iii) long-term customer relationships. We are now working with advisers to put in place the long-term financing structure required to fund our growth plan and create a sustainable capital structure. As we are evaluating multiple options, we will provide a comprehensive funding update in the fourth quarter 2020."

Q2 Financial Performance

Core revenues in the second quarter of 2020 amounted to EUR 116.4 million, down 1% year on year. This was the result of mix effects with B2B revenues increasing by 13.8% year on year to EUR 14.8 million, as well as Internet & Telephony revenues increasing to EUR 36.4 million, up by 2.6% year on year. These developments largely compensated for a decline in TV revenues by 4.9% year on year to EUR 56.4 million as a result of RGU losses in a structurally challenging market.

Normalised EBITDA increased by 4.1% year on year to EUR 60.8 million. Non-recurring costs continued to decrease strongly in the second quarter to EUR 3.7 million, down EUR 4.3 million year on year. As a result of this and other opex savings, Reported EBITDA increased strongly by 13.2% year on year to EUR 57.1 million.

Capex in the second quarter of 2020 remained flat year on year at EUR 32.2 million. This was mainly due to the fact that network upgrade and extension projects continued largely unaffected by the pandemic.

As of 30 June 2020, the Group reported approximately 3.3million homes connected. Moreover, the Company served 2,250,000 unique subscribers at the end of June, a decrease of 8,000 sequentially, which translates into 2,168,000 CATV RGUs (17,000 less quarter on quarter), 536,000 Premium TV RGUs (4,000 less quarter on quarter),

589,000 Internet RGUs (4,000 more quarter on quarter) and 433,000 Telephony RGUs (3,000 more quarter on quarter).

Guidance FY 2020 pro-forma for strategic review-related one-off costs

On the back of the second quarter results which came in line with internal expectations the management board confirms its FY 2020 guidance pro-forma for one-off costs in relation to its strategic review:

- 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

- 18 August 2020: Publication of Q2/H1 2020 results // Analyst and investor conference call at 10:00am CET
 - Webcast: ([click here](#))
 - Quarterly Statement: ([click here](#))
- 13 November 2020: Publication of Q3 2020 results

Summary table

€m	Q2 2019	Q2 2020	yoy %
Core revenues (like-for-like)	117.4	116.4	(0.9)
Reported EBITDA	50.4	57.1	13.2
Reported EBITDA margin, %	39.9	47.6	7.7ppt
Capex	32.3	32.2	(0.4)
Capex / Core revenues, %	27.5	27.7	0.2ppt
RGU as per end of period (in '000)	Q2 2019	Q2 2020	chg in '000
CATV	2,258	2,168	(90)
Internet ¹	577	589	12
Telephony ²	431	433	2
Premium TV	553	536	(17)

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 fiber 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 fiber-based infrastructure and broadband internet expansion in Germany. For its business customers the Group offers carrier services and corporate solutions on its proprietary fiber 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 and a member of the SDAX.

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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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