

PRESS RELEASE

Publication of third quarter results for fiscal year 2020

On track to meet FY 2020 guidance following third quarter results in-line with expectations

- **Q3 core revenues at EUR 117.2 million (excl construction work), up 1% year on year (like for like)**
- **Reported EBITDA in Q3 adjusted for one-off costs related to strategic review at EUR 57.6 million, up 1% year on year**
- **Capex at EUR 33.7 million in Q3, down 19% year on year reflecting cautious approach to investments in the pandemic**
- **Management confirms FY 2020 guidance pro-forma for one-off costs in relation to its strategic review**

Berlin, 13 November 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 third quarter results for fiscal year 2020.

Also in the third quarter of 2020, Tele Columbus progressed with a solid performance and continued to operate largely unaffected by the COVID-19 pandemic.

In the consumer business, Q3 marked the sixth consecutive quarter of organic Internet RGU growth amounting to 7,000 net additions. Telephony RGU also improved annually as well as sequentially and amounted to 4,000 net additions. In the TV segment, the negative trend on basic linear TV of previous quarters continued, resulting in a customer base decrease of 15,000 RGUs. At the same time, the Premium TV customer base expanded by 2,000 RGUs in Q3.

PÿUR Business, the B2B unit of Tele Columbus, continued its double-digit growth in the third quarter of 2020 with revenues increasing by 25% year-on-year. While the Q3 performance was additionally supported by project-related hardware sales, overall demand for B2B carrier solutions, classical ISP as well as data centre services remains strong. Year-on-year, the B2B unit's Q3 contribution margin increased by EUR 0.7 million to EUR 8.2 million.

Management Board
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Eike Walters

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The housing industry business successfully managed to keep the number of homes connected stable in the third quarter of 2020 at around 3.3 million. Part of this stemmed from the successful prolongation of 20,000 homes connected in the northern German city of Schwerin. Going forward, these households will be upgraded to FTTB, which underlines the increasing demand by housing associations for fibre upgrades. Tele Columbus continues to be a partner of choice for the housing industry and the Company's pipeline of prolongations and new projects remains intact and unaffected by COVID-19.

In the context of today's publication, Dr Daniel Ritz, CEO of Tele Columbus AG, comments: "We have continued with our solid operational performance also in the third quarter of 2020. Further growing IP net additions, delivering important housing industry fiber upgrades and contract prolongations, and taking into operation a second regional fiber backbone ring are tangible examples of how we move the Company forward."

Q3 Financial Performance

Core revenues in the third quarter of 2020 amounted to EUR 117.2 million, up 1.0% year-on-year. This was the result of mix effects with B2B revenues increasing by 25.0% year on year to EUR 15.3 million, as well as Internet & Telephony revenues increasing to EUR 36.7 million in Q3. These developments largely compensated for a decline in TV revenues by 4.1% year on year to EUR 56.7 million as a result of RGU losses in a structurally challenging market.

Normalised EBITDA decreased by 2.8% year on year to EUR 59.5 million. Non-recurring costs increased by EUR 0.3 million in the third quarter to EUR 4.4 million. Thereof around EUR 2.5 million relate to the strategic review which is currently underway. Consequently, Reported EBITDA decreased by 3.4% year on year to EUR 55.1 million. However, adjusted for the strategic review-related one-offs, the underlying Reported EBITDA increased by 1.0% year to EUR 57.6 million.

Capex in the third quarter of 2020 decreased by 18.8% year on year to EUR 33.7 million. This was mainly due to the fact that management took a cautious approach towards investments in the pandemic amid the overall uncertain economic environment.

As of 30 September 2020, the Group reported approximately 3.3 million homes connected. Moreover, the Company served 2,232,000 unique subscribers at the end of September, a decrease of 12,000 sequentially, which translates into 2,152,000 CATV RGUs (15,000 less quarter on quarter), 538,000 Premium TV RGUs (2,000 more quarter on quarter), 597,000 Internet RGUs (7,000 more quarter on quarter) and 437,000 Telephony RGUs (4,000 more quarter on quarter).

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

On the back of the third 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

- 13 November 2020: Publication of Q3 2020 results // Analyst and investor conference call at 10:00am CET
 - Webcast: ([click here](#))
 - Quarterly Statement: ([click here](#))
- Until year-end 2020: Ordinary Annual General Meeting
- 31 March 2021: Publication of Q4 and FY 2020 results

Summary table

€m	Q3 2019	Q3 2020	yoy %
Core revenues (like-for-like)	116.0	117.2	1.0
Reported EBITDA	57.1	55.1	(3.4)
Reported EBITDA margin, %	46.3	46.5	0.2 ppt
Capex	41.5	33.7	(18.8)
Capex / Core revenues, %	35.8	28.8	(7.0)ppt
RGU as per end of period (in '000)	Q3 2019	Q3 2020	chg in '000
CATV	2,234	2,152	(81)
Internet ¹	579	597	18
Telephony ²	429	437	8
Premium TV	545	538	(7)

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
Rounding differences may occur

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.

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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