

PRESS RELEASE

Publication of preliminary fourth quarter and full-year results 2020

FY 2020 guidance met on all metrics with solid Q4 results

- **Q4 Core Revenues at EUR 121.5 million, down 1.0% year on year**
- **Reported EBITDA in Q4 at EUR 61.8 million, up 4.4% year on year**
- **Capex at EUR 54.0 million in Q4, flat year on year**
- **Continued Internet, Telephony and Premium TV RGU growth in Q4**

Berlin, 25 March 2021. 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 2020.

Tele Columbus finished 2020 by successfully reaching all of management's guidance metrics as the Company continued to operate largely unaffected by the COVID-19 pandemic. Continuously improving customer satisfaction metrics have translated into increasing Internet and Telephony RGUs while CATV RGUs continued to decline in a structurally challenging market.

In the consumer business, organic Internet RGUs continued to grow with 5,000 net additions in Q4. Telephony RGUs also continued to increase and amounted to 2,000 net additions in Q4. In the TV segment, the negative trend on basic linear TV of previous quarters continued in Q4, resulting in a customer base decrease of 15,000 RGUs. At the same time, the Premium TV customer base expanded by 3,000 RGUs in Q4 which is a clear improvement year on year.

While Tele Columbus' B2B segment showed continued double-digit growth of around 10% in 2020, revenues in Q4 decreased by 5.9% year on year mainly as a result of phasing effects and given the very high comparable base. Overall demand for B2B carrier solutions, classical ISP as well as data centre services remains strong, however. As a result of the aforementioned phasing effects and project-related hardware sales, B2B contribution margin decreased by EUR 1.9 million to EUR 10.6 million in Q4.

The housing industry business successfully managed to keep the number of homes connected stable in the fourth quarter of 2020 at around 3.3 million. Part of this

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stemmed from the successful prolongation of around 20,000 homes connected in Hamburg and Borna. Going forward, these households will be upgraded to gigabit speeds and new builds to FTTH/B, 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.

Q4 Financial Performance

Core revenues in the fourth quarter of 2020 amounted to EUR 121.5 million, down 1.0% year on year. This was the result of an increase in Internet & Telephony revenues to EUR 37.3 million, up 4.3% year on year and a decrease in B2B revenues by 5.9% year on year to EUR 18.2 million as well as a decline in TV revenues by 4.5% year on year to EUR 56.3 million.

Normalised EBITDA in the fourth quarter increased by 2.6% year on year to EUR 64.7 million. Non-recurring costs continued to decline in the fourth quarter to EUR 2.9 million, down EUR 1.0 million year on year, the lowest amount since IPO (initial public offering) in 2015. As a result, Reported EBITDA increased by 4.4% year on year to EUR 61.8 million. Adjusted for the strategic review-related one off costs, Reported EBITDA increased by 6.6% year on year to EUR 63.1 million in Q4.

Net income in the fourth quarter amounted to a negative EUR 153.0 million. This was mainly the result of a non-cash impairment on the goodwill of the TV cash generating unit which itself amounted to EUR 149.9 million. Adjusted for this development, net income in Q4 amounted to a negative EUR 3.1 million compared to a positive EUR 4.3 million in Q4 2019.

Capex in the fourth quarter of 2020 remained flat year on year at EUR 54.0 million driven by shifts away from Other Capex towards a higher share of network infrastructure-related capex.

As of 31 December 2020, the Group reported approximately 3.3 million homes connected. The number of homes connected and upgraded for two-way communication on the Company's own network increased by 1,000 sequentially to 2,367,000 in the fourth quarter, which represents a ratio of 71%. Moreover, by the end of December the Company served 2,226,000 unique subscribers, a decrease of 6,000 sequentially, which translates into 2,137,000 CATV RGUs (15,000 less quarter on quarter), 541,000 Premium TV RGUs (3,000 more quarter on quarter), 602,000 Internet RGUs (5,000 more quarter on quarter) and 439,000 Telephony RGUs (2,000 more quarter on quarter).

Guidance FY 2021

On the back of the preliminary fourth quarter results which came in line with internal expectations, the management board expects the below development for fiscal year 2021 (the increased spread in Reported EBITDA is due to the inclusion of one-off transaction costs in the lower end of the range):

- Revenues of between EUR 465-475 million
- Reported EBITDA of between EUR 215-230 million
- CAPEX of between EUR 145-155 million

Management's previous mid-term guidance will be updated in the second half of the year.

Upcoming Events

26 March 2021: Analyst and Investor Conference Call at 10:00am CET ([click here](#))

31 March 2021: Publication of Final Full-Year Results and Annual Report 2020

12 May 2021: Publication of Q1 2021 Results

13 August 2021: Publication of Half-Year 2021 Report

12 November 2021: Publication of Q3 2021 Results

Summary table (including IFRS 16)

| €m | Q4 2019 | Q4 2020 | yoy % | FY 2019 | FY 2020 | yoy % |
|---|----------------|----------------|--------------------|----------------|----------------|--------------------|
| Core revenues (like-for-like) | 122.7 | 121.5 | (1.0) | 470.7 | 470.1 | (0.1) |
| Reported EBITDA | 59.2 | 61.8 | 4.4 | 214.2 | 229.5 | 7.2 |
| <i>Reported EBITDA margin, %</i> | 48.2 | 51.4 | 3.2ppt | 45.5 | 48.8 | 3.3ppt |
| Capex | 54.1 | 54.0 | 0.0 | 162.1 | 150.1 | (7.4) |
| <i>Capex / Core revenues, %</i> | 44.0 | 44.4 | 0.4ppt | 34.4 | 31.9 | (2.5)ppt |
| | | | | | | |
| | | | | | | |
| RGU as per end of period (in '000) | Q4 2019 | Q4 2020 | chg in '000 | FY 2019 | FY 2019 | chg in '000 |
| CATV | 2,218 | 2,137 | (81) | 2,218 | 2,137 | (81) |
| Internet ¹ | 584 | 602 | 18 | 584 | 602 | 18 |
| Telephony ² | 432 | 439 | 7 | 432 | 439 | 7 |
| Premium TV | 543 | 541 | (2) | 543 | 541 | (2) |

1) Internet RGUs include individually-billed B2C, B2B and 94k bulk RGUs

2) Telephony RGUs include individually-billed B2C, B2B and exclude 94k 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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