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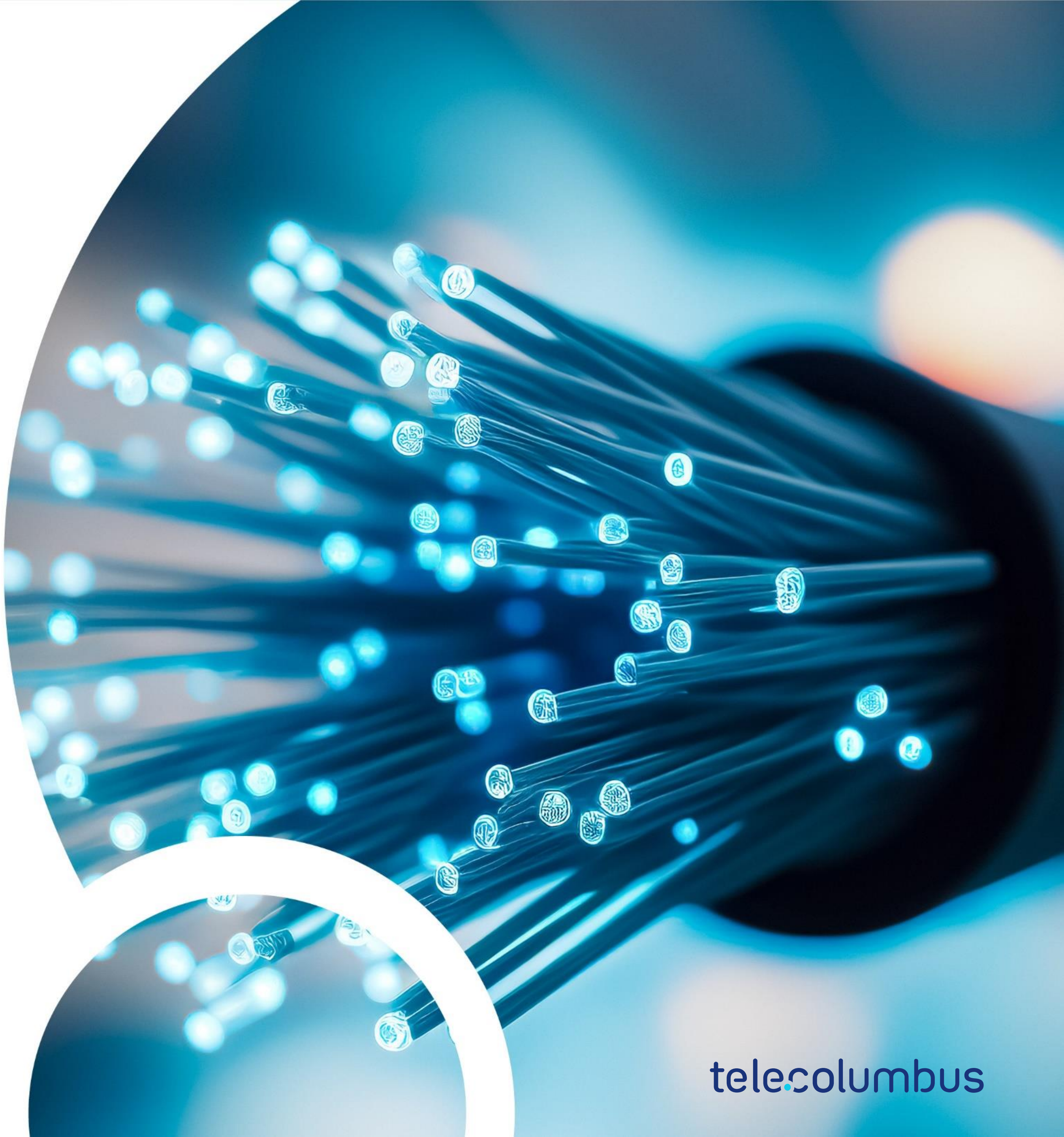
Q2/H1 2024 Results Presentation

August 28, 2024



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Key messages

Key Messages – H1 2024.

Operational	• Outstanding IP sales! • TC is again fastest growing IP operator in Germany in Q2 with net adds increase of 54% and 13.2% revenue growth YoY. • Ongoing shift towards higher bandwidths with more than 50% of gross adds opting for 500 Mbit/s & more. • Continued higher bundling shares. • TV Access RGU base affected by by one-off regulatory losses from bulk migration. Continued marketing and sales efforts in H2 2024.
Financial	• Stable revenues of EUR 222.6m YoY; One-off regulatory TV losses due to bulk migrations compensated by increasing IP revenues. • Reported EBITDA down to EUR 67.1m, strongly impacted by non-recurring activities (e.g. completed A&E transaction, TV bulk migration and NetCo-ServCo transformation). • Normalised EBITDA slightly increased by 0.2% YoY to EUR 93m. • CapEx increased by 15% YoY to EUR 116.5m mainly driven by investments into growth of consumer business (CPEs and commissions); below plan due to stricter capital allocation to sales channels (IP retail and B2B).
Liquidity	• Cash position of EUR 66m as of June 30, 2024. The second tranche (remaining EUR 120m) of the committed EUR 300m shareholder contribution out of the A&E transaction is not yet included. • Liquidity position is better than originally planned primarily due to optimisation of capital allocation/investments and net working capital.

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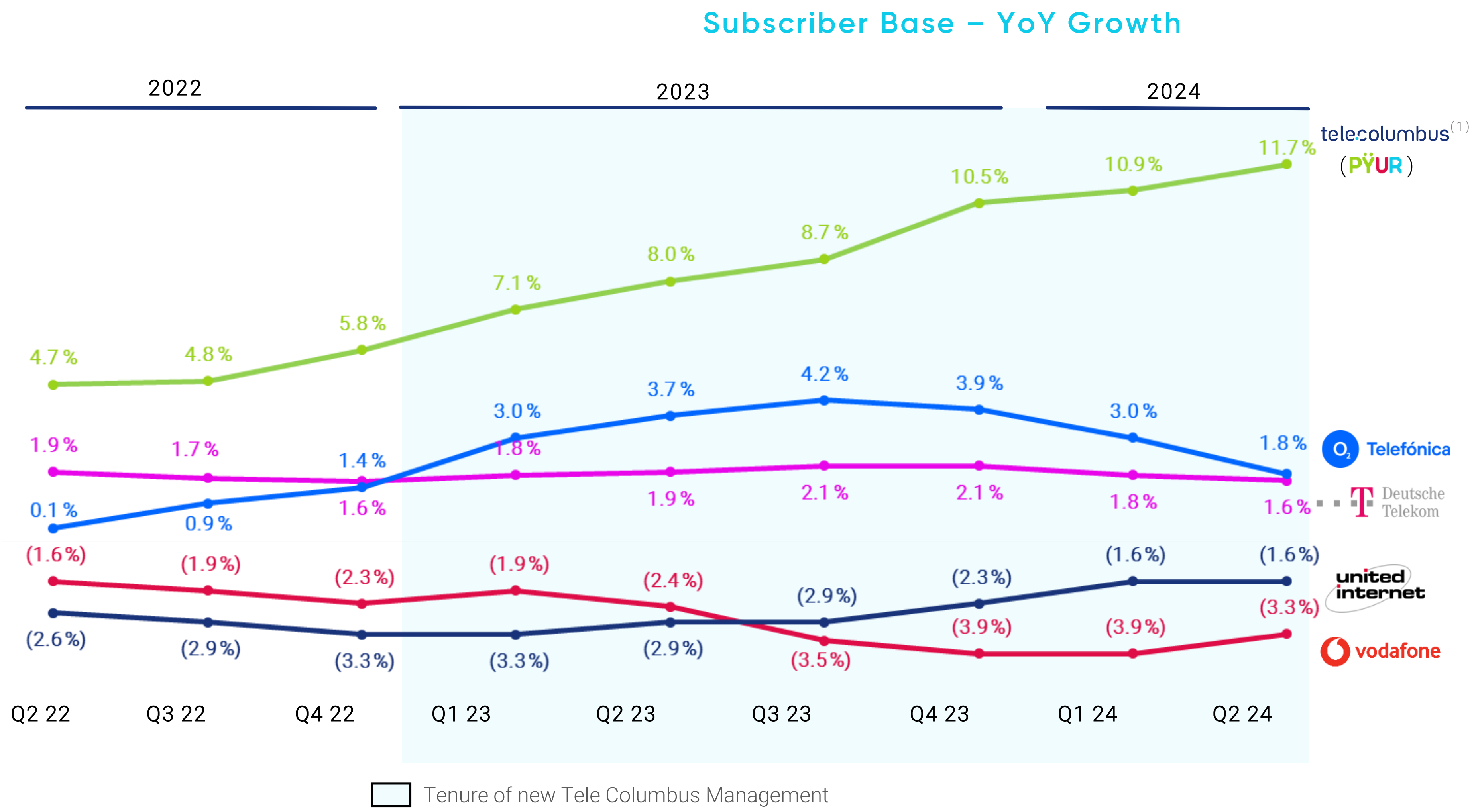
02

Operational Update & KPIs

We have achieved a lot in the first half of 2024 and are setting the course for a successful 2025.

- Strong IP performance continues.
- Successfully managing the one-off regulatory Bulk TV migration.
- Continued efficient invest into FTTH upgrades at very attractive Return on invested capital (ROIC).
- NetCo-ServCo-Separation is in full swing and key reorganisation steps have already been initiated.

Fastest growing IP Operator in Germany – strong IP improvement continues.



- Strong momentum in German broadband market.
- Best-in-class IP growth rate with increasing gap to competitors since Q3 2023.
- Strong growth since 2022 with increase of 11.7% YoY in Q2 2024.

Source: Company filings

Notes: (1) Internet Retail Individual Group. Excluding bulk Internet RGU with bandwidth <1Mbit/s and ARPU EUR <0.25; for better like-for-like comparison Tele Columbus figures adjusted backwards until Q2 2022

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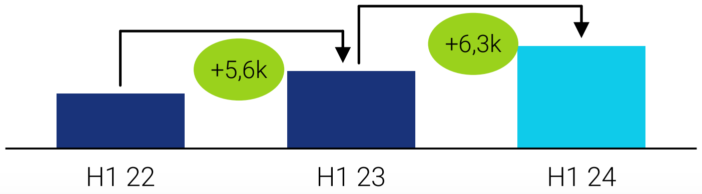
New team ramped-up PoS across all channels to enable continued growth in the future.

Sales Department | **B2C IP Net Sales H1 22 / 23 / 24** | **Operational achievements**

D2D
New Director – started 08/23

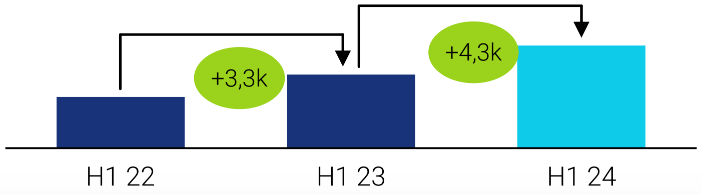
>16 years of Fixed-line experience



- Active Sales agents moved from 200 to above 350 p.m.
- New segmentation of sales areas (from 100 to 450 areas)
- Stable IP productivity per sales agent despite TV focus in H1

Shops / Retail
New Director – started 03/23

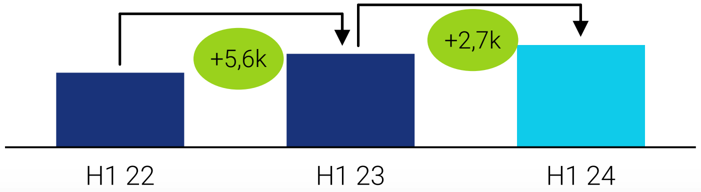
>19 years of Fixed-line experience



- Re-structured of shop operators (from 8 to 1 operator)
- Active retail outlets from c. 200 to above 300
- Almost doubled the IP sales productivity per outlet p.m.

Online
New Director – started 11/22

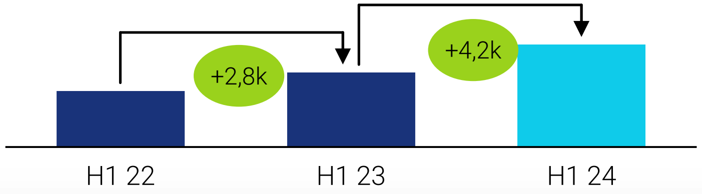
>22 years of Fixed-line experience



- Online-visits above 50%
- A/B testing and rapid user testing
- New online partner network onboarded

Telesales
New Director – started 07/23

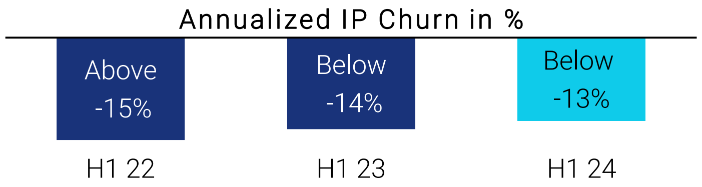
>23 years of Fixed-line experience



- More than doubled customer inbound calls
- Increased IP inbound call conversion by 50%
- Started focused outbound calls

Base Management
New Director – started 10/23

>23 years of Fixed-line experience



- New Win-back process
- New prevention & churn models
- Closer alignment between Telesales & Base Management

Price – Value Leader with very attractive value propositions.

In Footprint Retail Competition

		Telekom (DSL)	vodafone (DSL)	1&1 (DSL)	O2 (DSL)	PŸUR
Top Tier	Speed	250 Mbps	250 Mbps	250 Mbps	250 Mbps	**1.000 Mbps**
Top Tier	Price	54,99 €	49,99 €	49,99 €	44,99 €	39,99 €
Entry Tier	Speed	50 Mbps	50 Mbps	50 Mbps	50 Mbps	**100 Mbps**
Entry Tier	Price	42,95 €	39,99 €	39,99 €	34,99 €	19,99 €

Cheaper and 4x faster

Same price – 20x faster

Mehrfach ausgezeichnet.

Best Service hotline of all regional providers.

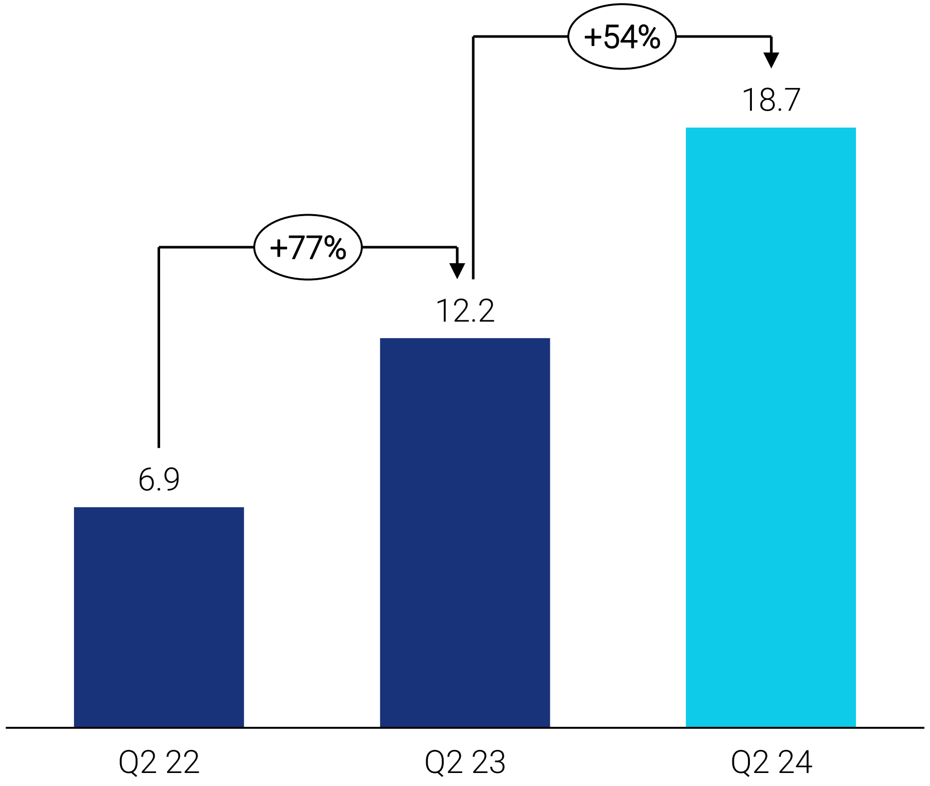
- Renewed test winner among the regional providers in the connect Hotline-Check.
- Third „very good" rating in a row.

Source: Pricing from operator websites as of August 22nd 2024 (one-off & temporary first months discounts not considered), Company information

Strong double digit IP Revenue Growth continuous.

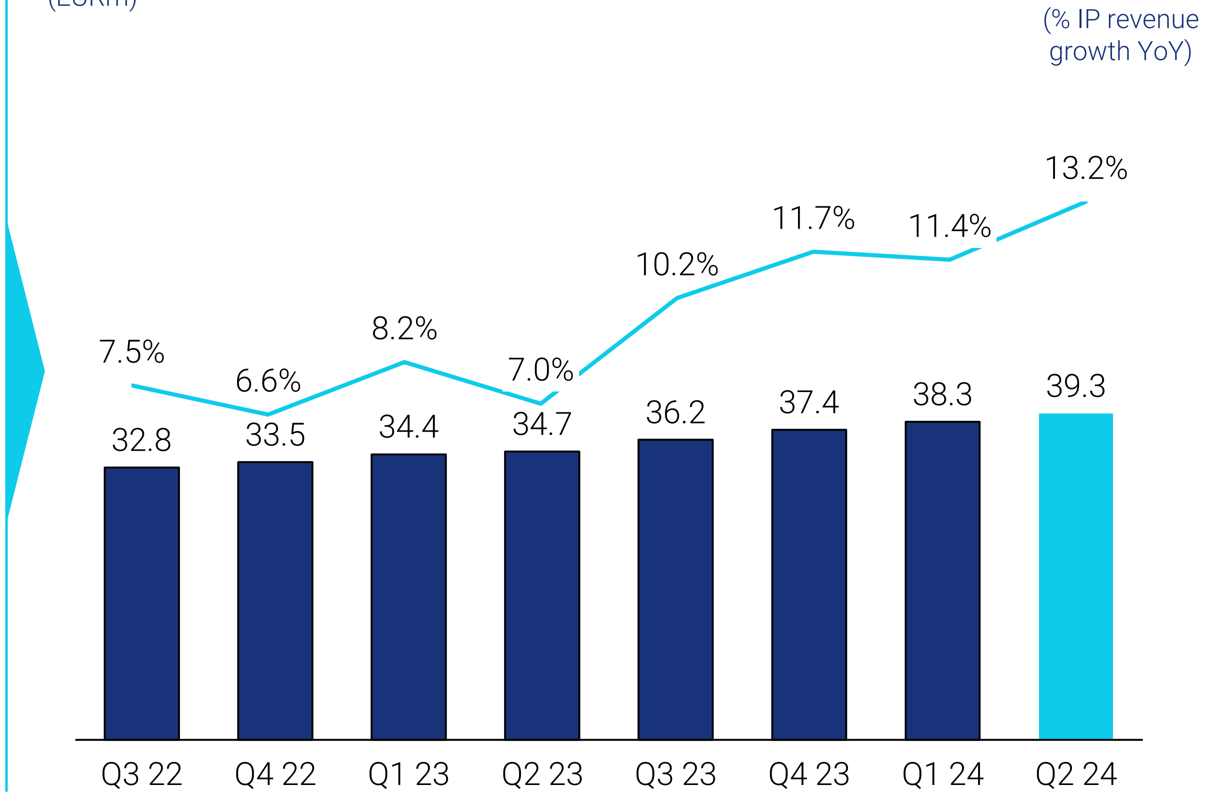
Net Adds[1] in Q2 2024

(k)



Continuous Growth in Internet[1] Revenue

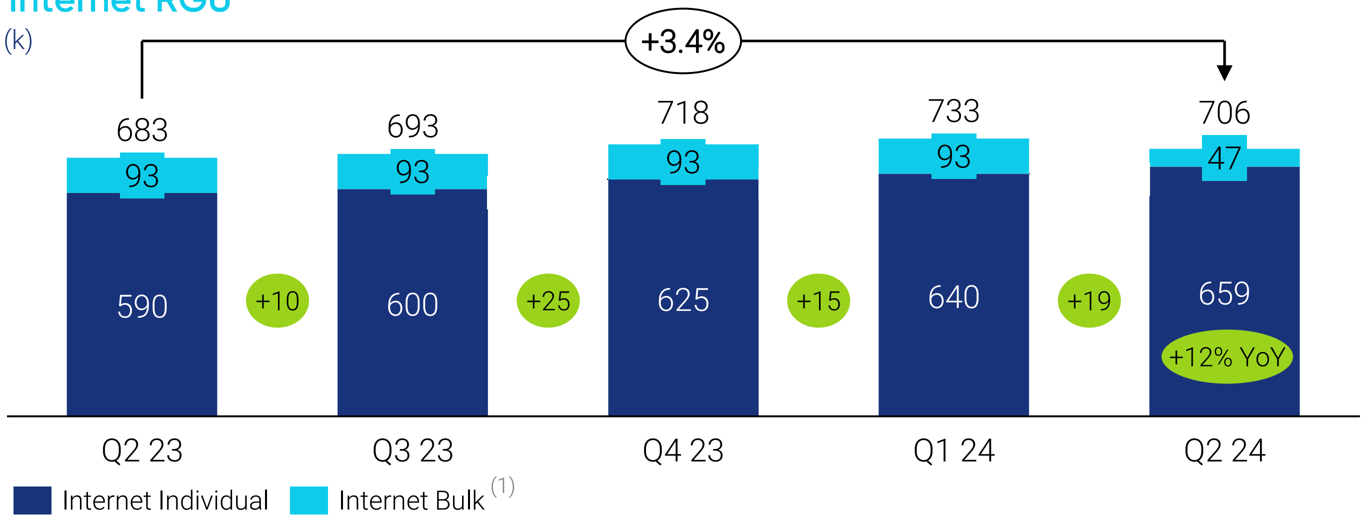
(EURm)



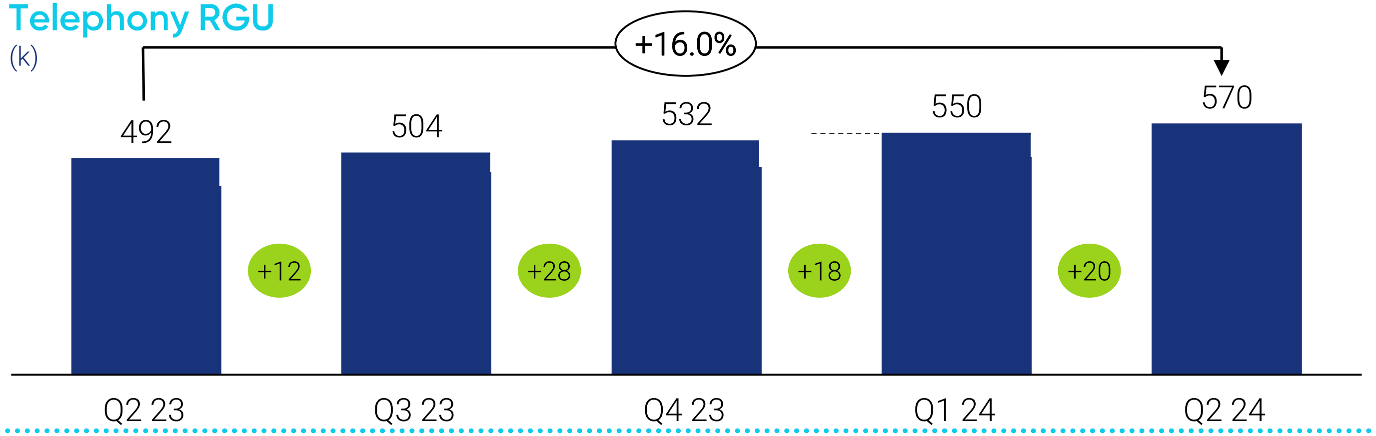
Notes: (1) Internet Retail Individual Group. Net adds excluding bulk Internet RGU with bandwidth <1Mbit/s and ARPU EUR <0.25 . Rounding differences may occur.

Strong IP Performance with Individual contracts.

Internet RGU



Telephony RGU



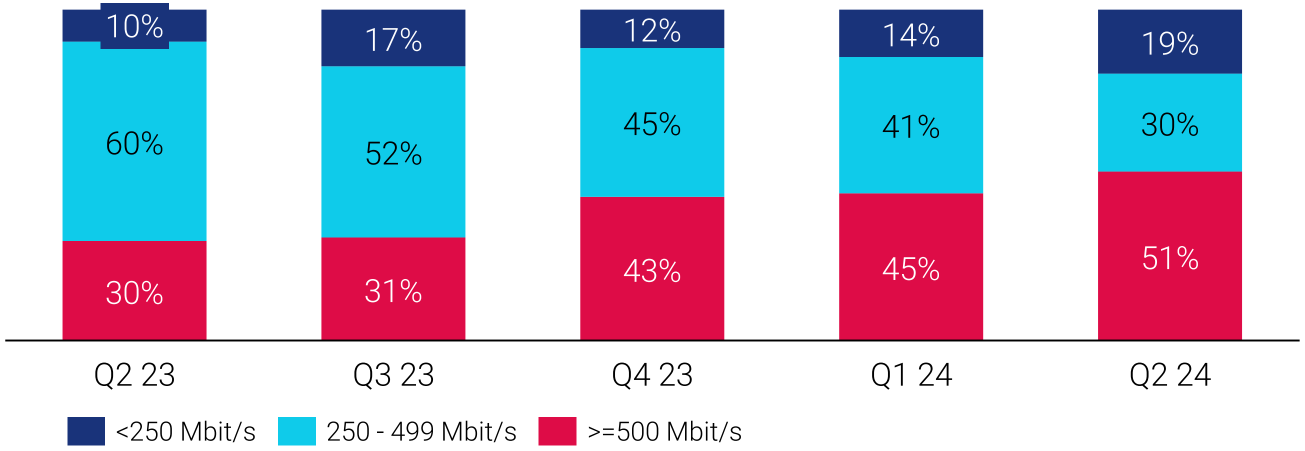
- Sustainable growth of Individual IP RGU base continues in Q2 2024.
- With 65k Internet RGUs in our 145k FTTH homes connected footprint, we already see a higher penetration in fiber (45%) vs. coax (27%), supporting our roll-out strategy.
- portfolio adjustment (all IP products now incl. telephone line with fixed net flat rate).

Notes: (1) Internet bulk RGU have bandwidth <1 Mbit/s and ARPU EUR <0.25.

Shift towards Bandwidths >=500 Mbit/s accelerates.

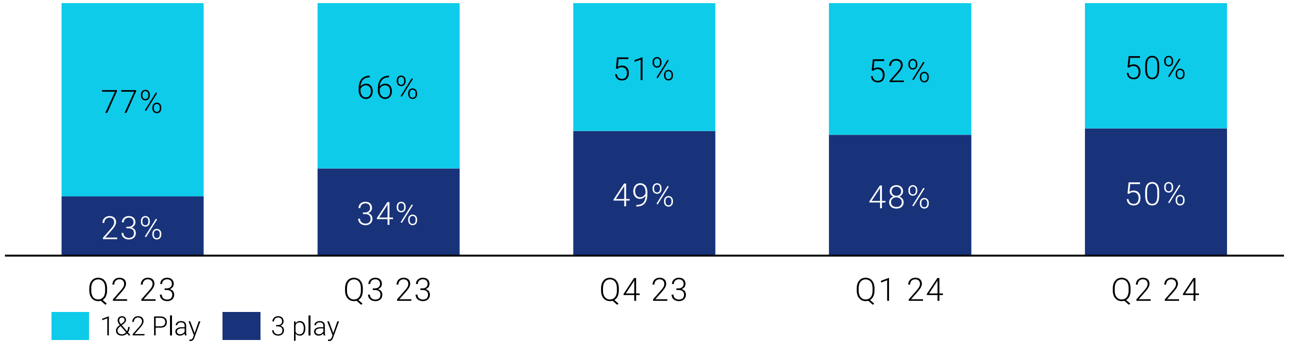
Gross adds[1]

Ordered bandwidth as % of total gross adds, rounding differences might occur



Net Sales[1]

Bundle mix (%)

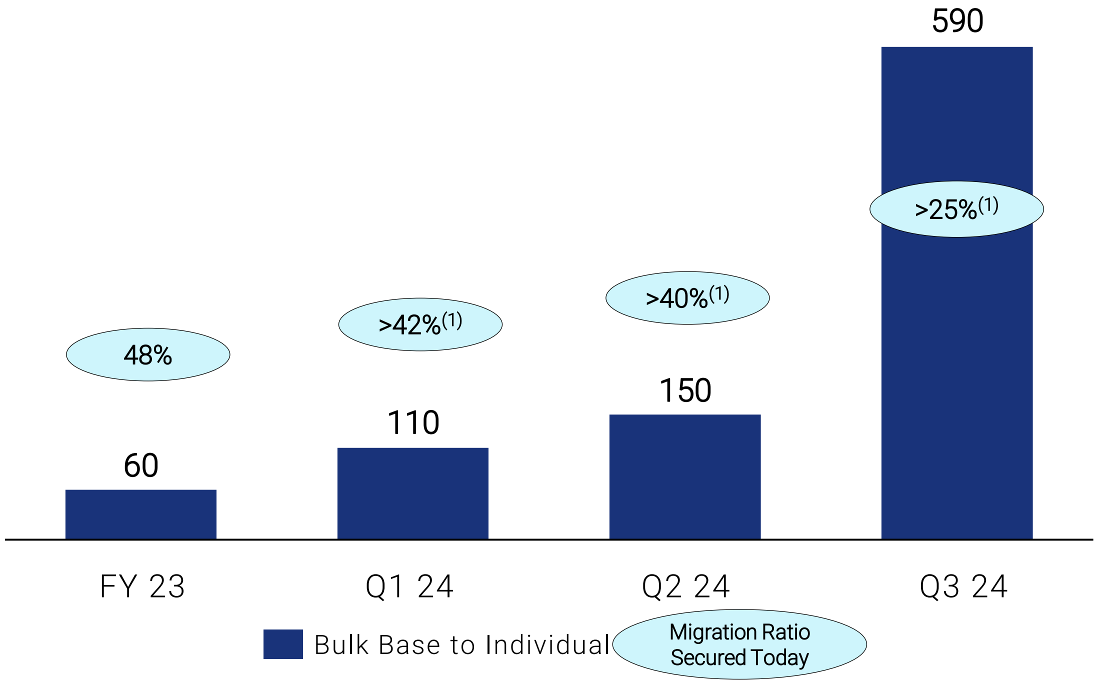


- Demand for bandwidths >=250Mbit/s again above 80%.
- Following the trend in previous quarters, more than 50% of all new customers chose 500 Mbit/s or more in Q2 2024.
- 3-Play share reached 50% in Q2 2024 in light of bulk TV migrations with pending gross adds for IP to be seen in Q3 2024.

Notes: (1) Internet Retail Individual migrated entities. Excluding bulk Internet RGU with bandwidth <1Mbit/s and ARPU EUR <0.25.

Successfully managing the TV bulk migration - Snapshot as of July shows good progress.

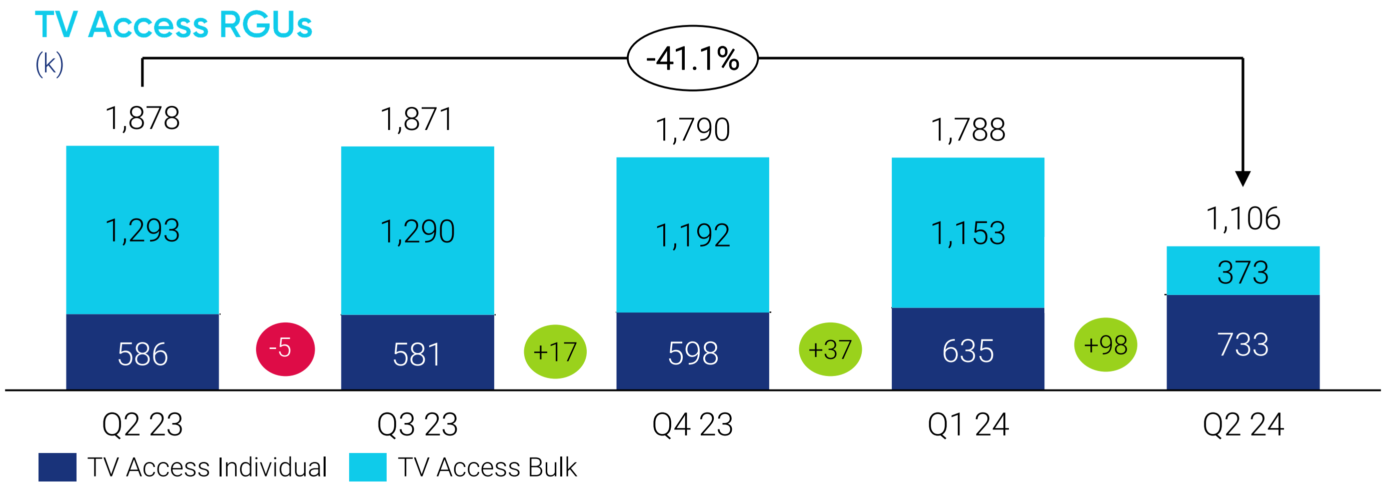
Homes connected
In k units

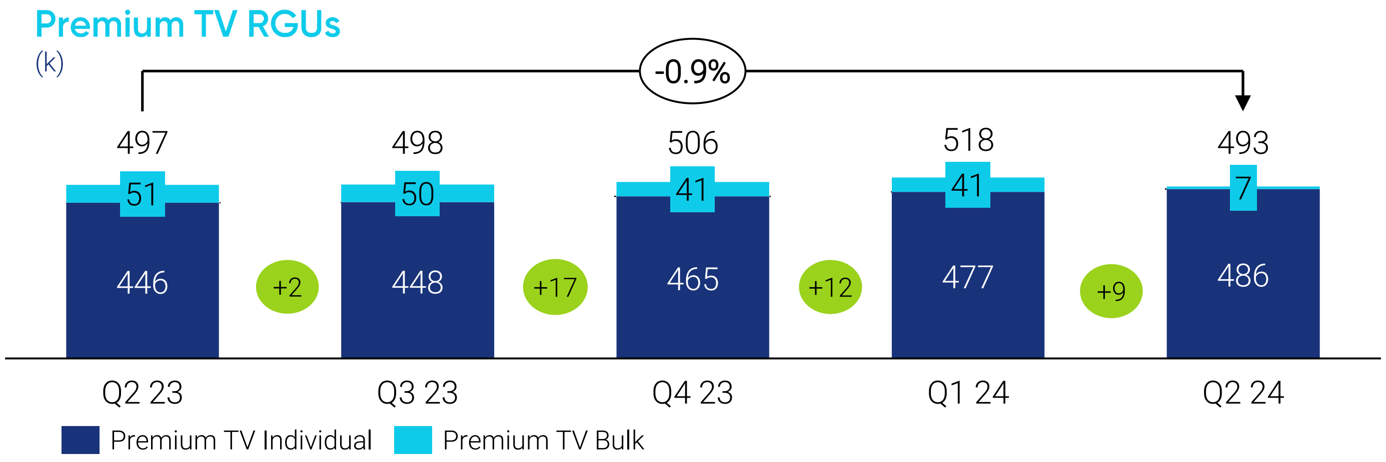


- In Q3 2024 conversion of 590k households from bulk to individual contracts. Marketing & sales efforts still ongoing.
- 2nd wave of D2D push (incl. signal blocking for non payers).
- Conversion target above 50% to be expected 4-6 months after switching date.
- Expecting ca. 200k to remain on bulk TV.

Notes: (1) Snapshot as per July 2024 – upsell and sales still ongoing.

Bulk RGU base impacted by mandatory migration. Individual RGU benefit but full effect expected next quarters.





TV Access

- Q2 2024 performance impacted by bulk migrations as already indicated in the trend of previous quarters. Increase of Individual contracts in H2 2024 will further offset the decline in bulk contracts. Individual net adds without bulk migrations also improved: -6k in Q4 23, -6k in Q1 24 and +0.3k in Q2 24.

Premium TV

- Despite effects from bulk migration stable RGU base YoY. Further activations of individual contracts expected in Q3 2024 to support growth.

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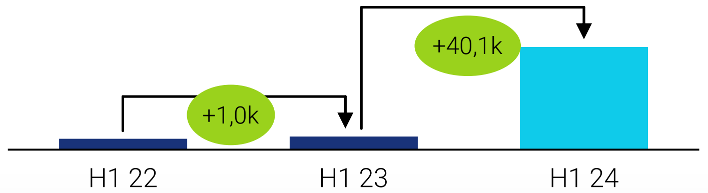
New Sales Team now also successfully selling TV products.

Sales Department | **B2C TV Net Sales H1 22 / 23 / 24** | **Operational achievements**

D2D
New Director – started 08/23

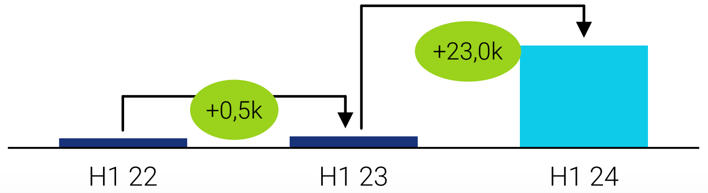
>16 years of Fixed-line experience



- Active Sales agents moved from 200 to above 350 p.m.
- New segmentation of sales areas (from 100 to 450 areas)
- TV Cross-Sale (as % of IP sales) increased from 43% to 68%

Shops / Retail
New Director – started 03/23

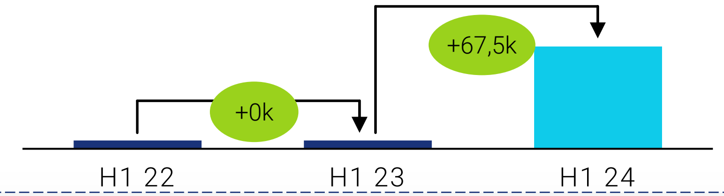
>19 years of Fixed-line experience



- Re-structured of shop operators (from 8 to 1 operator)
- Active retail outlets from c. 200 to above 300
- TV Cross-Sale (as % of IP sales) increased from 21% to 46%

Online
New Director – started 11/22

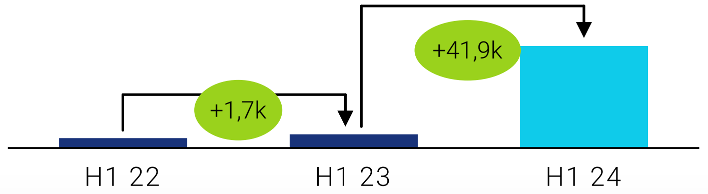
>22 years of Fixed-line experience



- Online-visits above 50%
- A/B testing and rapid user testing
- New online partner network onboarded
- TV Cross-Sale (as % of IP sales) increased from 23% to 33%

Telesales
New Director – started 07/23

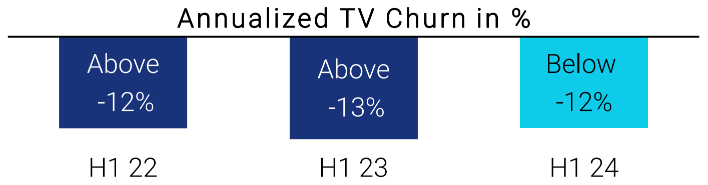
>23 years of Fixed-line experience



- More than doubled customer inbound calls
- Started focused outbound calls
- TV Cross-Sale (as % of IP sales) increased from 33% to 52%

Base Management
New Director – started 10/23

>23 years of Fixed-line experience



- New Win-back process
- New prevention & churn models
- Closer alignment between Telesales & Base Management

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Clear rationale to continue to invest in FTTH upgrades.

Attractive ROIC	Housing association Demand	Lower costs	Boost IP sales
Fiber buildout in the TC footprint yields very attractive Return-on-Invested-Capital	Housing associations have increasing demand for high-speed internet access and request FTTH buildouts	Installed FTTH leads to lower operating and maintenance costs compared to legacy HFC networks	IP sales increase already achieved on DOCSIS, but FTTH gives incremental boost

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Fiber Capex Advantage – attractive Return on Invested Capital within TC footprint.

Illustrative ROIC Analysis

€40 Retail ARPU[2]
x 75% Retail share

€20 Wholesale ARPU
x 25% Wholesale share

×

€35 Blended ARPU
= 420€ p.a. revenue per Sub

×

80% Gross profit Maintenance Capex margin

€336 Unlevered Free Cashflow per Sub

€650 Fibre Capex per connection

÷

40% Incremental Penetration

€1,630 Fibre Capex per Sub

+

€400 Retail Customer Capex per Sub

×

75% IP Retail share

€300 Customer Capex per Sub

€1,930 Total Capex per Sub

12% ROIC[1]

- Discretionary investment decision for each FTTH project
- EUR 1-1.5m typical size per FTTH project spent over 2-4 years

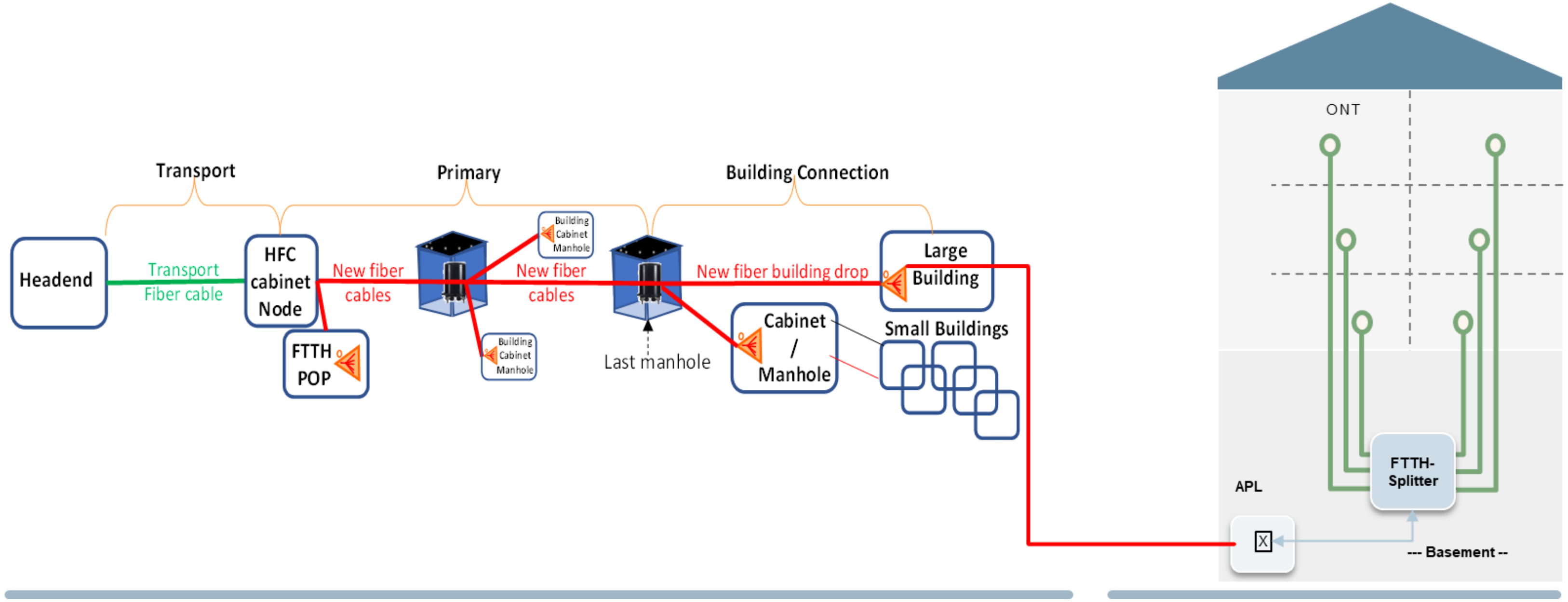
Notes: (1) 33% tax rate; (2) Applicable price during majority of 7+ year average customer lifetime, excluding promotional offers and including charges for CPEs / modems. Weighted by average IP speed tier selection.

Key driver of attractive ROIC is low buildout costs of 650€ - less than any other operator in Germany[1].

High-density MDU footprint (97%)

High duct availability

Low meter digging requirements



Network Level 2-3	FTTH
Headend upgrade infrastructure	€6
Civil works (ducts and fiber cables) in average (rollout 80% 2way footprint)	€276
Large street cabinet with switch	€20
Laser optics in Headend and street cabinet	€18
Summary	€320

Network Level 4	FTTH
Distribution and cabling in the basement	€136
Cabling in apartment-area	€102
Fiber outlet with ONT (incl. RF out for TV)	€92
Summary	€330

Notes: (1) Competitors composed of Vodafone, Deutsche Telekom and Altnets; Source: Altman Solon dated as of July 2023.

The split of Tele Columbus into a NetCo and ServCo is very well advanced.

Key deliverables of Transformer		Status	
Simplification	Reduction from 35 to 15 subsidiaries (excl. Minorities) / 20 subsidiary companies dissolved	100%	achieved by 31st of August
Separation	Spin-off of the ServCo-relevant TC parts into distinct ServCo entities	100%	achieved by 31st of August
Migration	Migration of 2.9m customers (B2C/B2B) into the respective NetCo and ServCo entities	55%	of customer migrated (100% by end of September)
Intercompany Agreements	Update and adjustment of all relevant operational agreements between NetCo and ServCo	100%	up and running
Master Service Agreement	Commercial agreement between NetCo and ServCo (term-sheet and full contract)	100%	Pre-MSA signed (with minor adjustments still pending)

Partially finalised Close to final

Going forward NetCo and ServCo will be attractive investment vehicles.

Tax and corporate law

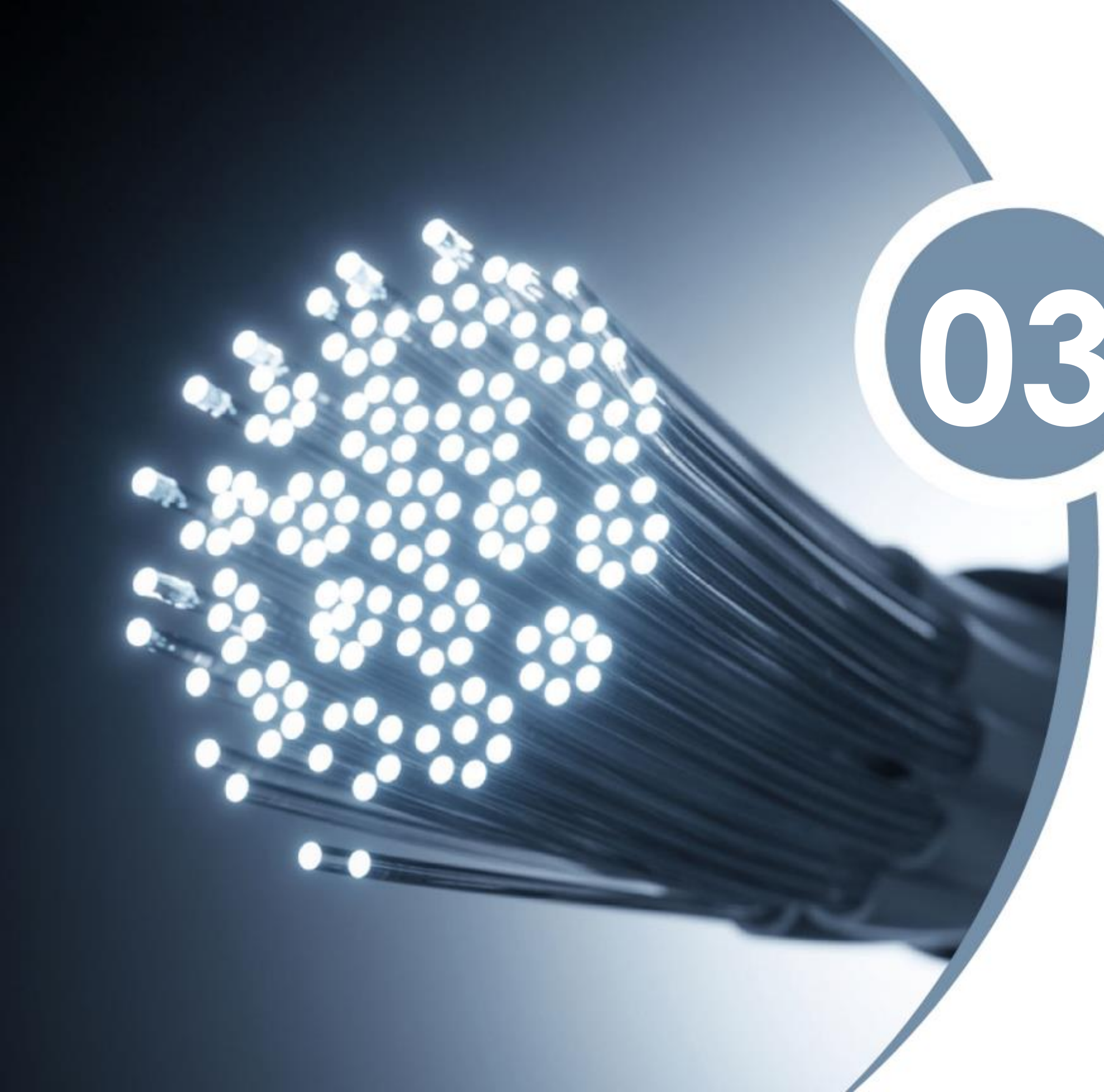
- Established NetCo/ServCo structure as of 1st September
- Finalized customer migration as of end of September

Organizational lift & shift

- Preparation of organizational change via lift & shift with target: end of Q4 2024

FiberCo

- Formation of a FiberCo as NetCo subsidiary
- FTTH assets in one subsidiary (as of Q1 2025)



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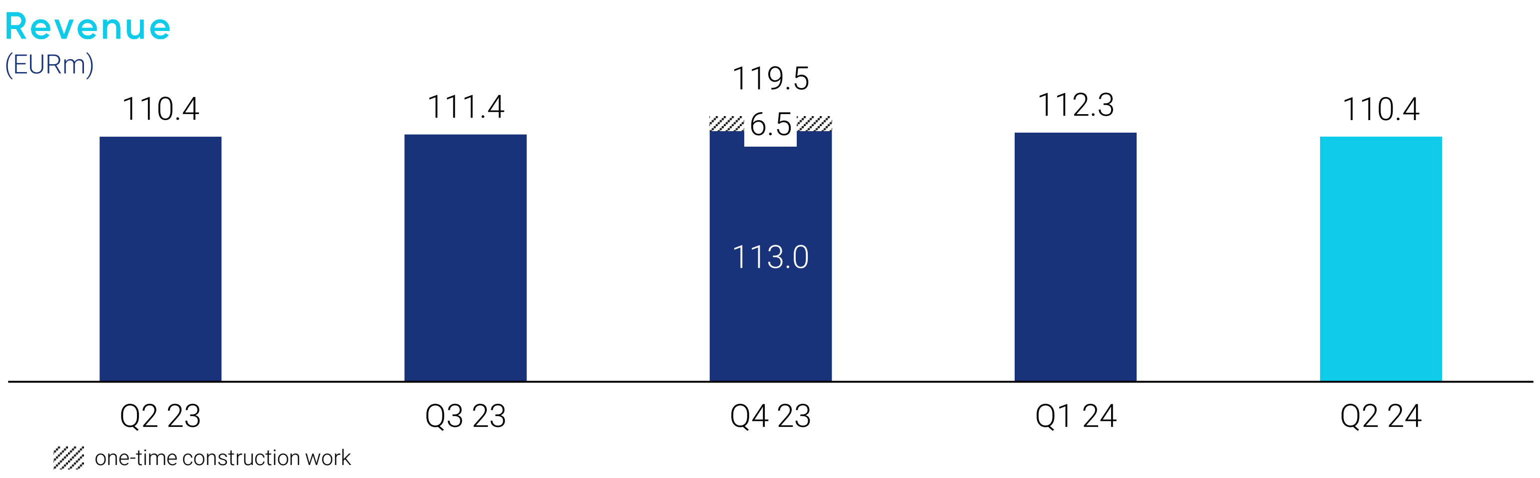
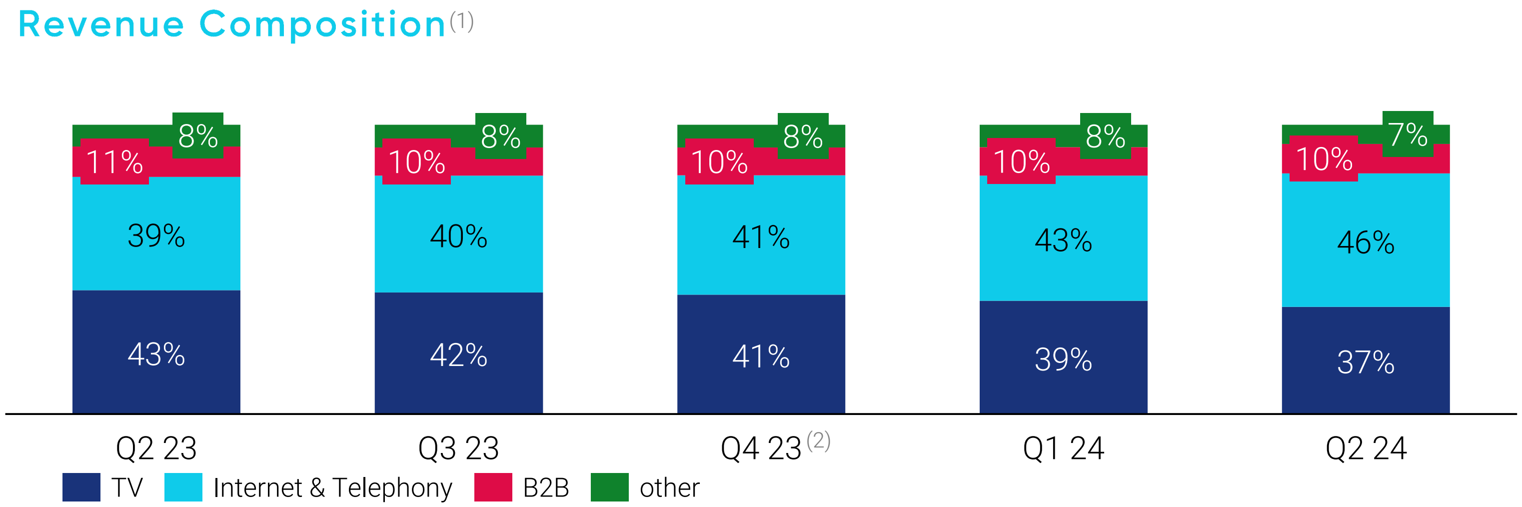
Financial Performance

Stable Revenue YoY, increasing IP revenue share.





- Total revenues stable YoY besides impact from bulk migrations.

- Internet & Telephony revenue share growing quarter by quarter and off-setting TV losses.

Notes: (1) Internet & Telephony now includes IP Hardware and Wholesale. Previously assigned to „other“. (2) Excluding one-time construction work (EUR 6.5m).

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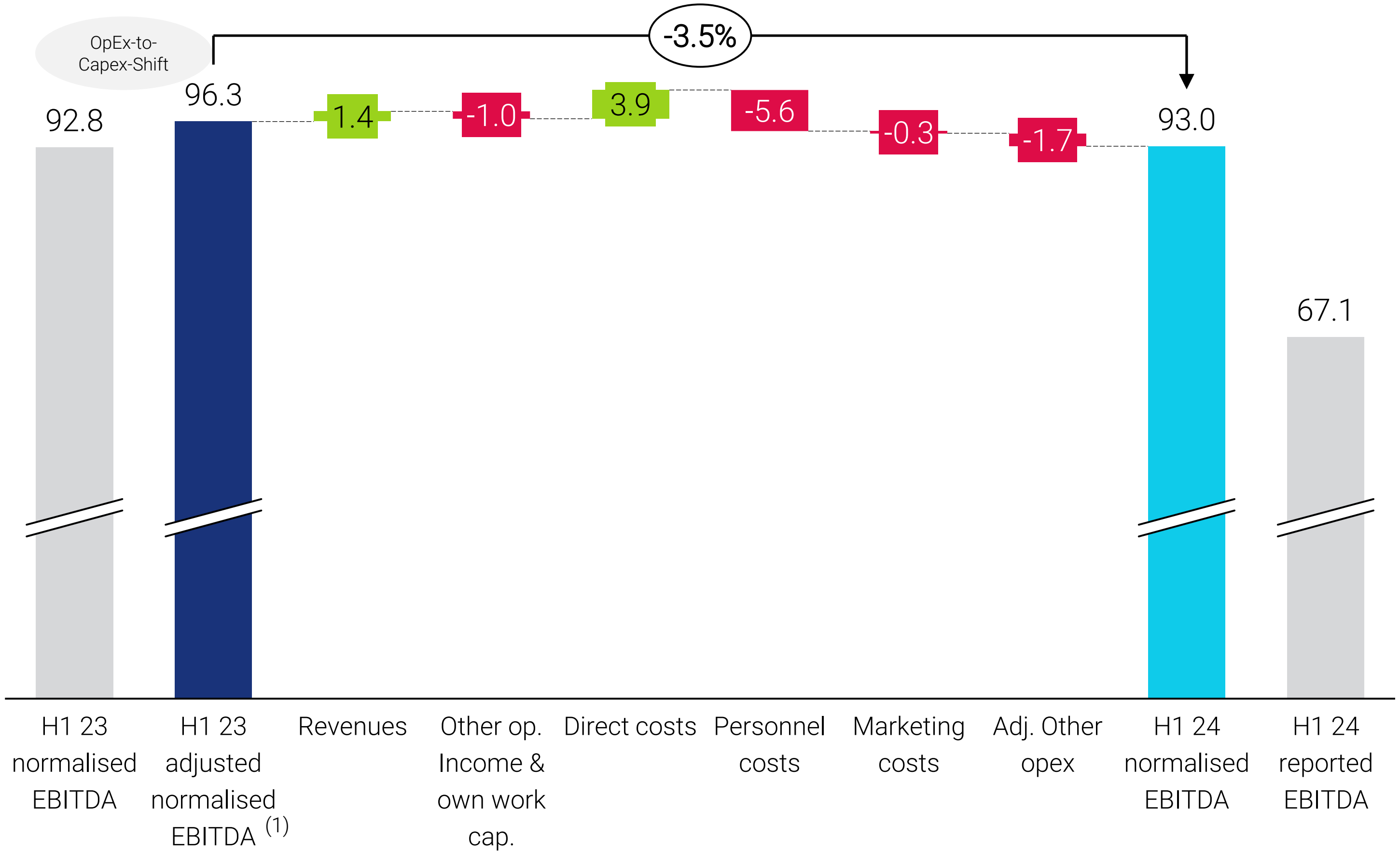
Reported EBITDA impacted by non-recurring expenses - Normalised EBITDA slightly down vs. adjusted H1 2023.

Normalised EBITDA

(EURm)



- Operating Revenues YoY slightly up. IP and Hardware revenue growth offsets lower TV revenues.
- Other operating income lower due to one time effects in Q2 2023.
- Direct Cost YoY lower mainly impacted by signal fees.
- Personnel cost increased due to more FTEs on payroll and salary increases.
- Higher marketing expenses due to sales promotion campaigns, which led to higher net sales.
- Reported EBITDA dropped significantly. Non-recurring expenses mainly in relation to completion of A&E transaction, TV bulk migration and transformation activities.

Notes: (1) Including linear distributed cost effect of change in interpretation of accounting guidance in Dec 2023.

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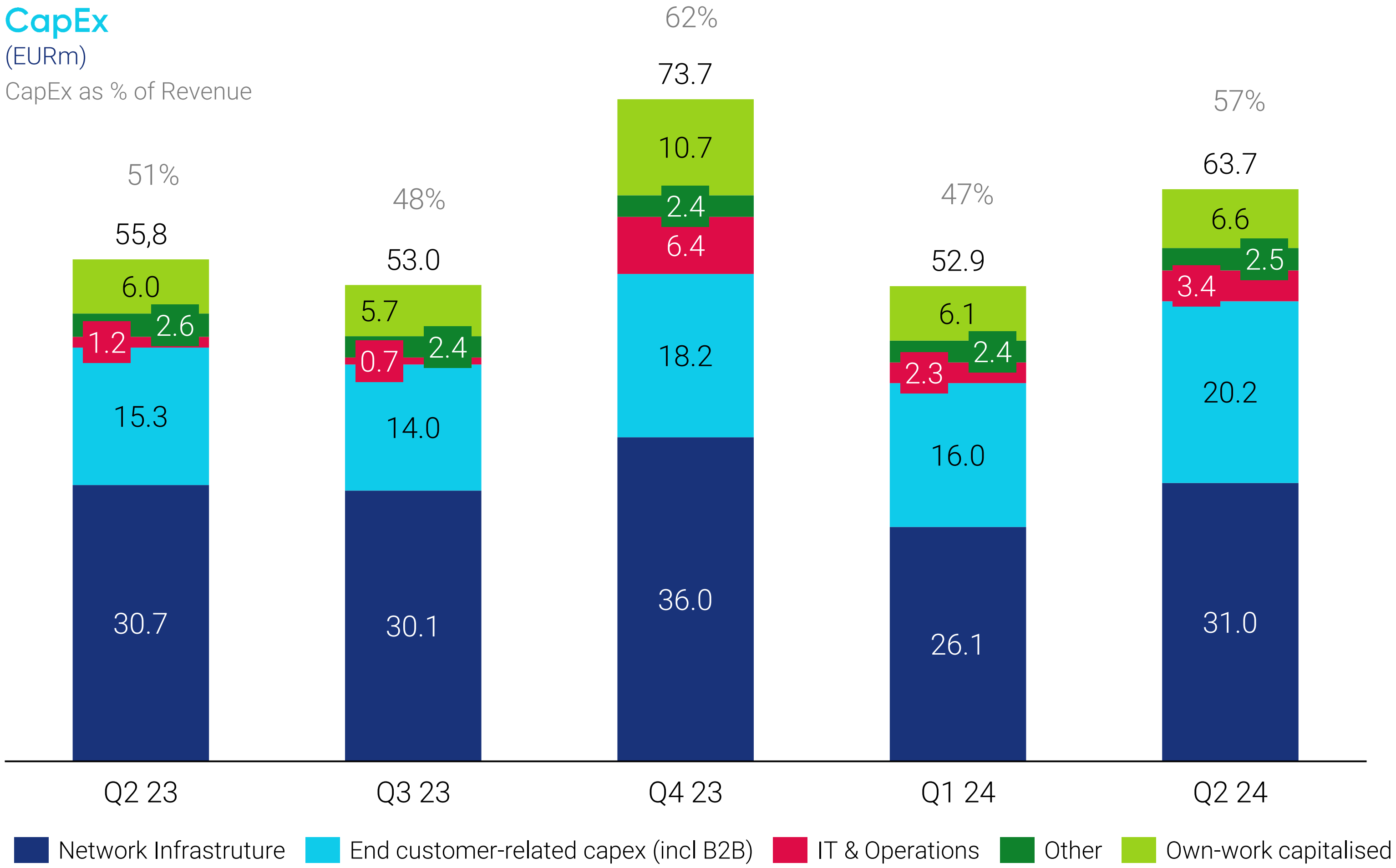
CapEx Levels – Q2 14% increase YoY – underlines growth story.



- **CapEx development**: YoY increase mainly driven by higher invest connected to end-customer business.
- **Network infrastructure investments**: Slightly higher than 2023, mainly driven by fiber roll-out. Increase expected in Q3 and Q4 2024.
- **End customer- related CapEx:** Higher commissions and CPE due to gross adds development.
- **IT & Operations:** impact of IT investments still to come during the year (phasing).

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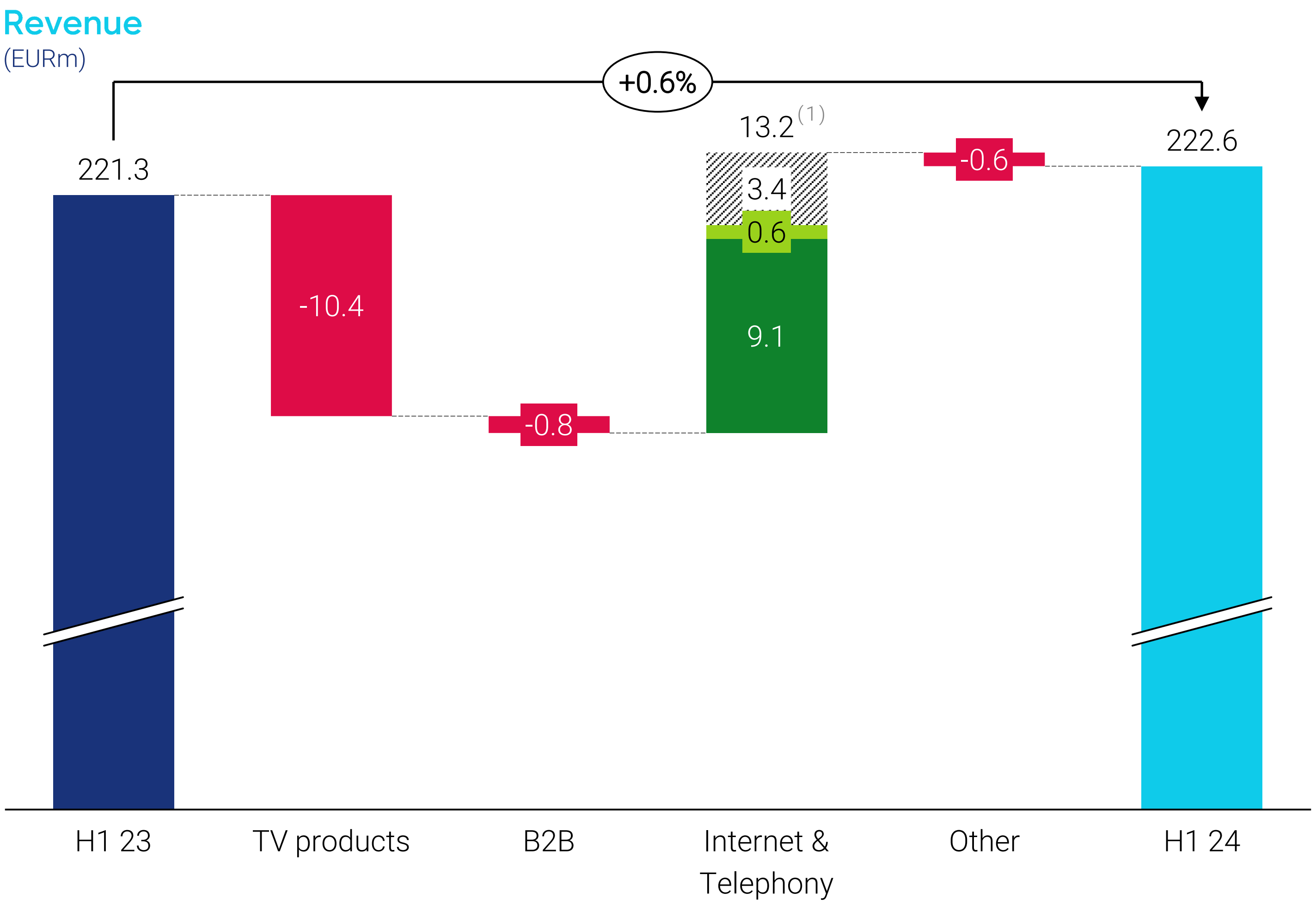
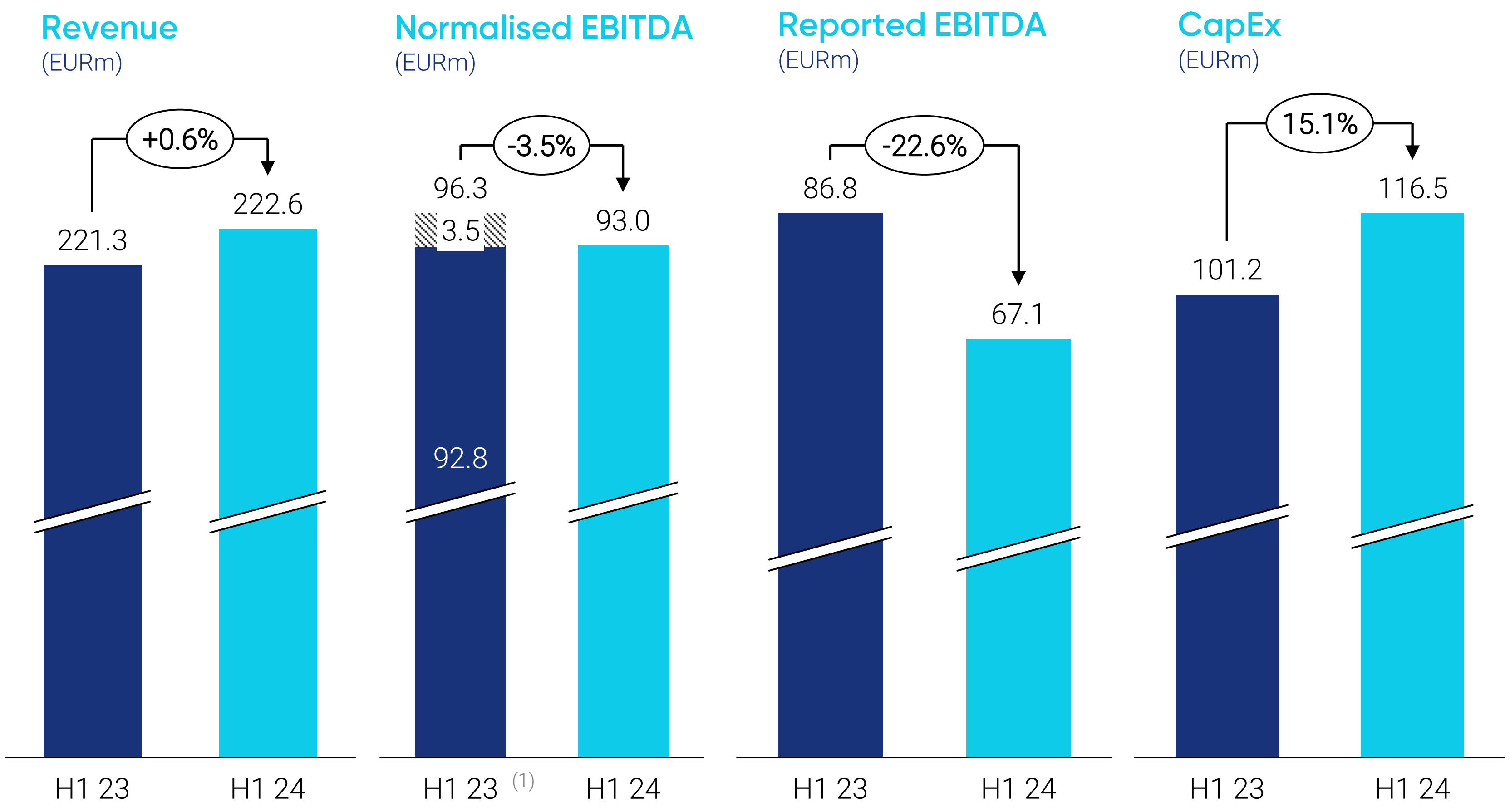
Decline in TV revenues due to bulk migration fully offset by strong growth of internet revenues.



- **TV revenues** declined but were offset by strong **Internet & Telephony** and increasing **hardware & Wholesale revenues**.
- **B2B** saw a slight decreased due to project delays.
- **Other revenues** declined driven by Marienfeld churn in April 2024.

Notes: (1) IP Hardware (EUR +3.4m) and Wholesale Revenues (EUR +0.6m) now allocated to IP revenues. Wholesale previously allocated to "Other".

H1 performance in the light of bulk migration and transformation.



- Stable revenue development. Impact from increasing TV loss due to bulk migration offset by IP revenue increase.
- Normalised EBITDA broadly stable YoY, slightly down vs. adjusted normalised EBITDA.
- Reported EBITDA strongly impacted with non-recurring costs related to completed A&E transaction, ongoing transformation and costs related to bulk tv migration.
- Investments in network and customer related CapEx significantly higher YoY as expected.

Notes: (1) Including linear distributed cost effect of change in interpretation of accounting guidance in Dec 2023.

04

Q&A

Fiber Capex Advantage – attractive Return on Invested Capital within TC footprint.

Illustrative ROIC Analysis

€	Tele Columbus	
Capex per pass (Level 2-3)	a	€320
Capex per connection (Level 4)	b	€330
Capex per connection (Total)	**c = a + b**	**€650**
Incremental IP Penetration achieved post FTTH upgrade	d	40%
Capex per sub	**e = c / d**	**€1,630**
Retail % of IP Penetration	f	75%
Commissions & CPE per retail sub	g	€400
Commissions & CPE per sub	h = f * g	€300
Total capex per sub	**i = e + h**	**€1,930**
Single-Play blended ARPU(1)	j	€35
Triple-Play blended ARPU(1)	k	€45
Triple-Play bundling rate	l	50%
IP Wholesale ARPU	m	€20
Total Blended ARPU	**n = [j * (1 – l) + k * l] * f + m * (1 – f)**	**€35**
Gross Profit – Maintenance Capex margin	o	80%
Unlevered free cash flow per sub	**p = 12 * n * o**	**€336**
ROIC pre-tax	q = p / i	17%
Tax rate	r	33%
ROIC post-tax	**= q * (1 - r)**	**12%**

Notes: (1) 33% tax rate; (2) Applicable price during majority of 7+ year average customer lifetime, excluding promotional offers and including charges for CPEs / modems. Weighted by average IP speed tier selection.

Thank you

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