

Q3/2024

Quarterly report

KEY FIGURES AT A GLANCE



INCOME STATEMENT (IFRS)

		9 months 2023	9 months 2024	Q3 2023	Q3 2024
Revenue	(in EUR m)	78.2	85.6	26.6	28.8
Ecotel business customers	(in EUR m)	34.2	35.0	11.6	11.8
Ecotel Wholesale	(in EUR m)	44.0	50.6	15.0	17.0
Gross profit	(in EUR m)	24.1	24.1	7.9	8.1
Ecotel business customers	(in EUR m)	22.8	22.6	7.5	7.5
Ecotel Wholesale	(in EUR m)	1.3	1.5	0.5	0.6
Operating EBITDA^{1,2}	(in EUR m)	7.0	5.4	1.7	1.9
Ecotel business customers	(in EUR m)	6.2	4.5	1.4	1.5
Ecotel Wholesale	(in EUR m)	0.8	0.9	0.3	0.4
Operating result (EBIT)	(in EUR m)	7.2	0.7	0.5	-0.2
Group profit³	(in EUR m)	7.1	0.6	0.4	-0.1
Earnings per share⁴	in EUR	2.03	0.17	0.12	-0.03

CASHFLOW

		9 months 2023	9 months 2024
Financial funds at the beginning of the period	(in EUR m)	66.9	3.7
Cash flow from operating activities	(in EUR m)	9.4	3.3
Cash flow from investing activities	(in EUR m)	-2.0	-5.6
Cash flow from financing activities	(in EUR m)	-66.9	0.4
Financial funds as of 30.09	(in EUR m)	7.4	1.8
Free Cashflow⁵	(in EUR m)	7.4	-2.3

BALANCE SHEET (IFRS)

		9 months 2023	9 months 2024
Total assets	(in EUR m)	52.1	51.5
Equity	(in EUR m)	23.4	22.8
in % of the total balance sheet	in %	44.9	44.2
Net financial assets⁶	(in EUR m)	7.4	-1.2

FURTHER KEY FIGURES

		9 months 2023	9 months 2024
Number of shares as of 30.09. (outstanding shares)	Number	3.510.000	3.516.100
Employee as of 30.09.	Number	213	207
Personnel expenses	(in EUR m)	-11.8	-12.1

Differences may occur in the totals due to commercial rounding.

1 Result before planned and unplanned impairment, financial result and taxes on income and earnings

2 For definition, see Group management report in the 2023 Annual Report on page 46

3 In the previous year (9 M 2023) the consolidated profit includes 1.8 million from discontinued operations

4 Undiluted

5 Free Cashflow = Cashflow from operating activities + Cashflow from investing activities

6 Loan liabilities less financial resources



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Dear shareholders,

We were able to increase sales in the first nine months as planned to 85.6 million EUR (previous year: 78.2 million EUR) and achieved a stable gross profit of 24.1 million EUR (previous year: 24.1 million EUR). Operating EBITDA – burdened as planned by the start-up costs of major projects – reached 5.4 million EUR (7.0 million EUR in the previous year).

The third quarter of 2024 was successful and in line with our expectations. Sales increased by 2.2 million EUR to 28.8 million EUR. In the ecotel business customers segment, sales increased by 0.2 million EUR to 11.8 million EUR compared to the previous year, supported by initial sales from the major projects currently being implemented. The ecotel Wholesale segment recorded an increase in sales by EUR 2.0 million to EUR 17.0 million. Gross profit also improved slightly by 0.2 million EUR to 8.1 million EUR.

We were able to increase operating EBITDA in the third quarter by EUR 0.2 million to EUR 1.9 million compared to the same quarter last year. This increase consisted of 0.1 million EUR in the ecotel business customers segment (1.5 million EUR) and 0.1 million EUR in the ecotel wholesale segment (0.4 million EUR). While gross profit remained stable overall, income from the purchase of advance services amounting to EUR 0.5 million and additional expenses for a license agreement (EUR 0.2 million) for data center components were largely responsible for this development.

In the third quarter, one-off expenses from the stock option plan of 2020 in the amount of EUR 0.7 million as well as reorganization and restructuring expenses in the amount of EUR 0.3 million, as described in the annual report 2023 were deducted from operating EBITDA. These targeted investments as well as scheduled depreciation of EUR 1.1 million (previous year: EUR 1.1 million) led to a slight decline in consolidated net profit, which, despite the increase in operating EBITDA in the third quarter of 2024 stood at EUR -0.1 million (previous year: EUR 0.4 million).

While in the financial year 2023 income from the transfer of usage rights to Internet resources was realized in the first half of the year, in the current financial year this income is expected to be achieved in the fourth quarter as planned.

Free cash flow for the first nine months of 2024 amounted to -2.3 million euros, which is due to planned investments in the expansion of the cloud and fiber product platforms as well as upfront investments in the major projects currently being implemented. In addition, one-off expenses in connection with the 2020 stock option plan were taken into account. At the beginning of the third quarter, dividends amounting to EUR 1.6 million (0.47 EUR per share) were distributed. As a result, 2024 financial liabilities amount to EUR 1.2 million as of September 30.

The Board of Directors confirms the forecast for the 2024 financial year, as set out in the forecast report of the 2023 annual report. Sales in the ecotel Business Customers segment are expected to reach the lower end of the corridor of 48 to 52 million EUR, while sales in the ecotel Wholesale segment are expected to be above the corridor of 50 to 60 million EUR.

Düsseldorf, in November 2024


Markus Hendrich
Chairman of the Board


André Borusiak
Board of Directors Sales


Christian van den Boom
Board of Directors Finance



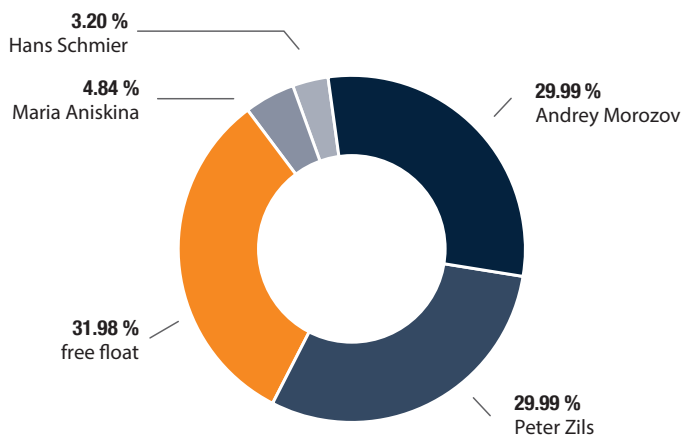
The ecotel share at a glance

The ecotel share started the year 2024 with 17.50 EUR. In the first half of 2024, the stock briefly reached a peak value of 17.90 EUR. The ecotel share could not maintain the good start in the first quarter in the two following quarters. The ecotel stock ends the third quarter of 2024 at 12.90 EUR. With 3.516 million shares outstanding, thus a market capitalization of 45.4 million EUR (September 30, 2023: 57.9 million EUR).

Shareholder structure

The average trading volume in the first three months was 1.802 pcs. (HY 2023: 8.463 pcs.) As of September 30 2024, the share capital of ecotel communication AG was 3,516,100 shares. Due to 6.100 exercises from the Employee AOP. Mr. Zils slightly increased his stake in March. Mr. Zils and Mr. Morozov still each have approximately 30% of the shares, another approximately 8% are known to us through WPHG reports. The free float is around 32%.

Share ownership (September 30, 2024)



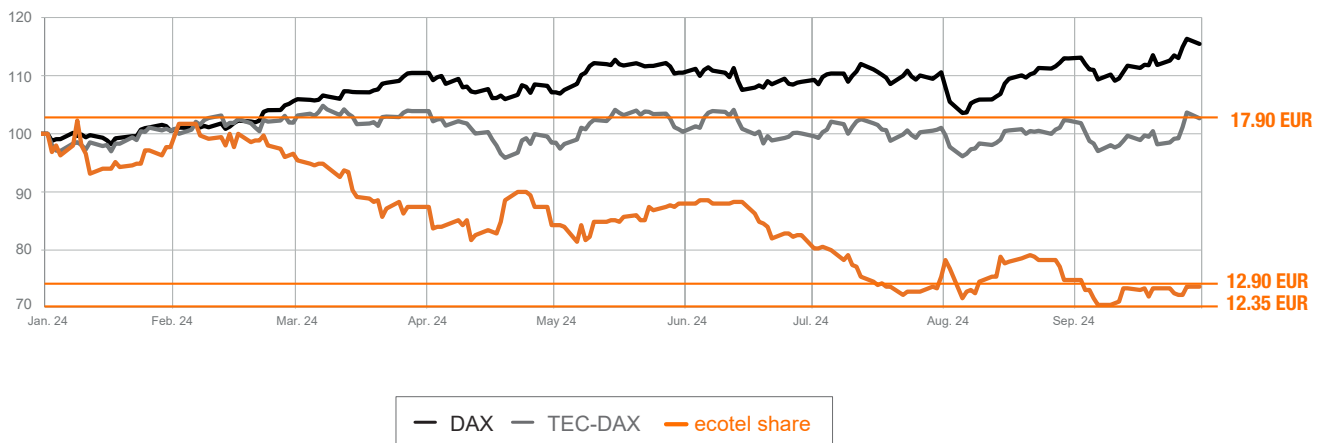
% rate according to the last voting rights notification from September 1, 2022.

Key figures Ø 2024

WKN	585434
ISIN	DE0005854343
Symbol	E4C
Market segment since 08.08.2007	Prime Standard
Index membership	CDAX, Prime All Share Technology All Share
Class	No-par value shares
Date of initial listing	29.03.2006
Number of shares as of 30.09.2024	3.516.100
Average daily volume 2024	1.622
Highest price 2024 (EUR)	17.90
Lowest price 2024 (EUR)	12.35
Market capitalization as of 30.09.2024 (EUR million)*	45.4
Designated sponsor	ICF BANK AG

* Based on the closing price on September 30 2024 of 12.90 € at a share count of 3.516.100 Euro per share with 3.510.000 shares outstanding

Price performance of the ecotel share in 2024 in %





GROUP BALANCE SHEET

AS OF SEPTEMBER 30, 2024 (UNAUDITED)

in EUR	31.12.2023	30.09.2024
Assets		
A. Long-term assets		
I. Intangible assets	15.260.320	16.797.107
II. Tangible assets	4.211.687	5.530.344
III. Right of use from leasing agreements	5.751.892	5.184.962
IV. Activated contract costs	3.262.887	3.688.633
V. Financial assets measured at fair value through other comprehensive income	1.280.511	1.448.814
VI. Receivables from deliveries and services	96.051	79.306
VII. Other financial assets	886.874	817.000
VIII. Other non-financial assets	648.481	1.040.803
Total non-current assets	31.398.703	34.586.969
B. Current assets		
I. Receivables from deliveries and services	10.921.806	13.064.812
II. Contract assets	25.680	0
III. Other financial assets	361.692	348.272
IV. Other non-financial assets	692.967	964.119
V. Actual income tax claims	224.296	681.750
VI. Payment and payment equivalents	3.702.441	1.834.031
Total current assets	15.928.882	16.892.984
Total assets	47.327.585	51.479.953

Differences may occur in the totals due to commercial rounding.

GROUP BALANCE SHEET

AS OF SEPTEMBER 30, 2024 (UNAUDITED)



in EUR	31.12.2023	30.09.2024
Passive		
A. Equity		
I. Subscribed capital	3.510.000	3.516.100
II. Capital reserve	2.240.036	2.344.938
III. Other reserves	17.978.678	16.914.634
Total equity	23.728.714	22.775.672
B. Long-term liabilities		
I. Deferred income taxes	1.082.388	1.259.255
II. Leasing liabilities	5.499.459	4.950.674
III. Contractual liabilities	366.321	435.245
Total non-current liabilities	6.948.167	6.645.174
C. Current liabilities		
I. Actual income taxes	2.284.559	1.374.766
II. Short-term loans	-	3.019.103
III. Leasing liabilities	925.840	962.734
IV. Liabilities from deliveries and services	11.048.488	13.522.860
V. Contract liabilities	576.551	410.251
VI. Other financial liabilities	1.074.755	798.813
VII. Other non-financial liabilities	740.511	1.970.580
Total short-term liabilities	16.650.704	22.059.107
Total liabilities	47.327.585	51.479.953

Differences may occur in the totals due to commercial rounding.



CONSOLIDATED INCOME STATEMENT

FOR THE 3RD QUARTER OF 2024 AND FOR THE FIRST 9 MONTHS OF 2024 (UNAUDITED)

in EUR	9 months 2023	9 months 2024	Q3 2023	Q3 2024
1. Revenue	78.193.612	85.615.352	26.628.119	28.844.203
2. Other operating income	6.598.097	729.020	65.747	497.057
3. Other activated own services	357.088	364.047	117.578	137.821
4. Total performance	85.148.797	86.708.419	26.811.444	29.479.081
5. Material costs	-54.067.767	-61.475.003	-18.684.250	-20.732.014
6. Personal expenses	-11.776.361	-12.124.145	-3.814.689	-4.497.994
6.1 Wages and salaries	-10.174.017	-10.413.373	-3.253.290	-3.913.995
6.2 Social security contributions and expenses for retirement provision and support	-1.602.344	-1.710.772	-561.399	-583.999
7. Planned depreciation	-3.652.362	-3.297.597	-1.146.726	-1.085.757
Of which depreciation on usage rights from leasing relationships	-724.794	-751.634	-240.700	-246.371
8. Other operating expenses	-8.417.567	-9.066.151	-2.677.963	-3.354.389
9. Operating result (EBIT)	7.234.740	745.523	487.816	-191.073
10. Interest income	471.156	20.661	35.305	5.464
11. Interest expenses	-245.868	-261.589	-96.419	-99.685
of which interest expenses from lease liabilities	-227.842	-220.794	-92.008	-94.222
12. Result from financial assets	203.691	257.927	81.053	45.493
13. Financial result	428.979	16.999	19.940	-48.728
14. Result of ordinary activities before income taxes	7.663.690	762.522	507.756	-239.801
15. Taxes on income and on earnings	-2.324.307	-176.866	-89.844	131.108
16. Result after taxes from continuing operations	5.339.383	585.656	417.912	-108.693
17. Result after taxes from discontinued operations	1.773.092	-	-	-
18. Surplus (= Group surplus)	7.112.474	585.656	417.912	-108.693

in EUR	9 months 2023	9 months 2024	Q3 2023	Q3 2024
Diluted earnings per share	2.03	0.17	0.12	-0.03
Diluted earnings per share ¹	1.84	0.15	0.11	-0.03

¹ In the first nine months of 2024 there were exercises of 6.100 stock options (4 year lock-up period ended on 31.07.2024).

In the absence of corresponding facts, the presentation of "other comprehensive income" is omitted.

Differences may occur in the totals due to commercial rounding.



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Legal notice

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Disclaimer

Disclaimer:

This report, particularly the "Outlook" chapter, contains forward-looking statements reflecting the current views of ecotel's management on future events. These statements are typically characterized by words like "expect," "assume," "believe," "intend," "estimate," "aim," "target," "plan," "will," "seek," "outlook," and similar expressions. They generally contain information related to expectations or targets for revenue, EBITDA, or other performance measures. Future-oriented statements are based on currently valid plans, assessments and expectations. Therefore, you should view them with caution. Such statements are subject to risks and uncertainties, most of which are difficult to estimate and are generally beyond the control of ecotel.

Other possible factors that can significantly affect the cost and revenue development are changes in interest rates, regulatory requirements, competition that is sharper than expected, changes in technologies, legal disputes and supervisory developments. Should these or other risks and uncertainties occur, or should the assumptions underlying the statements prove to be incorrect, the actual results of ecotel may differ significantly from those expressed or implied in these statements.

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In addition to the KPIs prepared in accordance with IFRS, ecotel presents pro forma KPIs, e.g. gross profit, EBITDA, EBITDA margin, free cash flow as well as gross and net financial liabilities, which are not part of the accounting regulations. These key figures are to be seen as a supplement, but not as a replacement for the information prepared in accordance with IFRS. Pro-forma KPIs are not subject to IFRS or other generally applicable accounting regulations. Other companies may apply different definitions to these terms.