

# QUARTERLY REPORT

2023

A series of numerous thin, parallel orange lines of varying lengths and orientations, creating a sense of motion and speed, sweeping across the page from the bottom left towards the top right.

# Q3

Income statement		9 months 2022 (IFRS)	9 months 2023 (IFRS)	Q3 2022 (IFRS)	Q3 2023 (IFRS)
<b>Sales from continuing operations</b>	in mil. euros	<b>69.0</b>	<b>78.2</b>	<b>24.4</b>	<b>26.6</b>
ecotel Business Customers	in mil. euros	34.1	34.2	11.4	11.6
ecotel Wholesale	in mil. euros	34.9	44.0	12.8	15.0
<b>Gross profit from continuing operations</b>	in mil. euros	<b>22.5</b>	<b>24.1</b>	<b>7.4</b>	<b>7.9</b>
ecotel Business Customers	in mil. euros	21.5	22.8	7.0	7.5
ecotel Wholesale	in mil. euros	1.0	1.3	0.4	0.5
<b>EBITDA<sup>1</sup></b>	in mil. euros	<b>21.7</b>	<b>10.9</b>	<b>2.2</b>	<b>1.6</b>
<b>Operating EBITDA<sup>2</sup></b>	in mil. euros	<b>6.8</b>	<b>7.0</b>	<b>2.2</b>	<b>1.7</b>
ecotel Business Customers	in mil. euros	6.4	6.2	2.1	1.4
ecotel Wholesale	in mil. euros	0.5	0.8	0.2	0.3
<b>EBIT from continuing operations</b>	in mil. euros	<b>17.5</b>	<b>7.2</b>	<b>0.9</b>	<b>0.5</b>
<b>Consolidated net income</b>	in mil. euros	<b>15.3</b>	<b>7.1</b>	<b>1.5</b>	<b>0.4</b>
<i>of which from discontinued operations</i>	in mil. euros	2.3	1.8	0.9	-
<b>Earnings per share<sup>3</sup></b>	in mil. euros	<b>4.36</b>	<b>2.03</b>	<b>0.42</b>	<b>0.12</b>

Cash flow		9 months 2022	9 months 2023
Cash and cash equivalents at beginning of period	in mil. euros	12.6	66.9
Cash flow from operating activities	in mil. euros	26.4	9.4
Cash flow from investing activities	in mil. euros	-4.2	-2.0
Cash flow from financing activities	in mil. euros	-15.9	-66.9
Cash and cash equivalents as at 30 September	in mil. euros	18.9	7.4
<i>of which from discontinued operations (easybell segment)</i>	<i>in mil. euros</i>	7.3	-
<b>Free cash flow<sup>4</sup></b>	<b>in mil. euros</b>	<b>22.1</b>	<b>7.4</b>
<i>of which from discontinued operations (easybell segment)</i>	<i>in mil. euros</i>	4.5	-

Statement of financial position		9 months 2022	9 months 2023
Total assets	in mil. euros	66.0	52.1
Equity	in mil. euros	35.0	23.4
in % of total assets		53.0%	44.9%
<b>Net financial assets<sup>5</sup></b>	in mil. euros	<b>11.5</b>	<b>7.4</b>

Other key figures		9 months 2022	9 months 2023
Quantity of shares as at 30 September (outstanding shares)	Quantity	3,510,000	3,510,000
Employees as at 30 September <sup>6</sup>	Quantity	195	213
Staff costs <sup>7</sup>	in mil. euros	-10.1	-11.8

Differences in totals may occur due to rounding.

<sup>1</sup> Earnings before depreciation, amortisation and impairment losses, net finance costs and income taxes

<sup>2</sup> Please refer to the 2022 management report for the definition of operating EBITDA

<sup>3</sup> Basic

<sup>4</sup> Free cash flow = cash flow from operating activities + cash flow from investing activities.

<sup>5</sup> Cash and cash equivalents less loan liabilities.

<sup>6</sup> Headcount as at end of reporting period – not including easybell or nacamar in 2022

<sup>7</sup> Not including staff costs for easybell or nacamar in 2022 – including special bonus of € 0.9 million in 2023

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Dear shareholders,

The **growth strategy** announced at the start of the year for the »ecotel Business Customers» segment boosted **sales** in the third quarter of 2023, resulting in an increase of € 0.2 million to € 11.6 million (previous year: € 11.4 million). Sales in this segment also rose slightly in the nine-month comparison period to € 34.2 million (previous year: € 34.1 million). The »ecotel Wholesale« segment saw a significant upturn in the third quarter to € 15.0 million (previous year: € 12.8 million), coming to € 44.0 million for the first nine months of 2023 (previous year: € 34.9 million)

Thanks to the successful expansion of sales activities and the successful positioning in »**cloud & fiber**«, the Management Board expects sales in the »ecotel Business Customers« segment to rise steadily in the next few quarters too. For example, ecotel secured two additional major contracts in the »fiber» product segment in the third quarter and commenced operations of around 400 additional leased lines in the first nine months. The share of modern SD-WAN connections also picked up considerably. The »cloud» product segment also performed well during the year, contributing to the higher sales and gross profit. Sales performance in this product segment more than doubled year on year.

**Gross profit** in the »ecotel Business Customers« segment saw a disproportionate increase compared to sales, rising by € 1.3 million to € 22.8 million. This was driven largely by higher value added, positive purchase price developments and the new product mix. Gross profit in the »ecotel Wholesale« segment also improved and rose by € 0.3 million to € 1.3 million thanks to the significant sales growth.

**Operating EBITDA** increased by € 0.2 million to € 7.0 million in the first nine months despite the planned investment in our growth strategy. At € 1.7 million (previous year: € 2.2 million), operating EBITDA was down year on year in the third quarter. However, Q3 of the previous year saw income of € 0.4 million from the sale of online resources, which affects the annual comparison. Unadjusted **EBITDA** amounted to € 10.9 million after nine months (previous year: € 21.9 million).

After accounting for depreciation and amortisation (€ -3.7 million), net finance costs (€ +0.4 million), taxes (€ -2.3 million) and net income from discontinued operations (€ +1.8 million), **consolidated net profit** of € 7.1 million was generated in the first nine months of 2023 (previous year: € 15.3 million). This translates into **earnings per share** of € 2.03 (previous year: € 4.36).

A more detailed forecast has been issued for 2023 as a whole in view of developments in the first nine months of 2023 and the current forecast for the year as a whole. The Management Board now assumes that sales in the »ecotel Business Customers« segment will be at the lower end of the expected range of between € 46 million and € 48 million, while sales in the »ecotel Wholesale« segment are expected to be at the upper end of the € 48 million to € 52 million range or potentially even higher. Following the positive impact growth investments had on key figures in the first three quarters, targeted investments in further growth will continue in the fourth quarter. Accordingly, the Management Board now anticipates operating EBITDA of around € 9 million, at the lower end of the € 9 million to € 10 million range forecast.



Markus Hendrich  
Chairman of the Management Board



Achim Theis  
Member of the Management Board

## ecotel shares at a glance

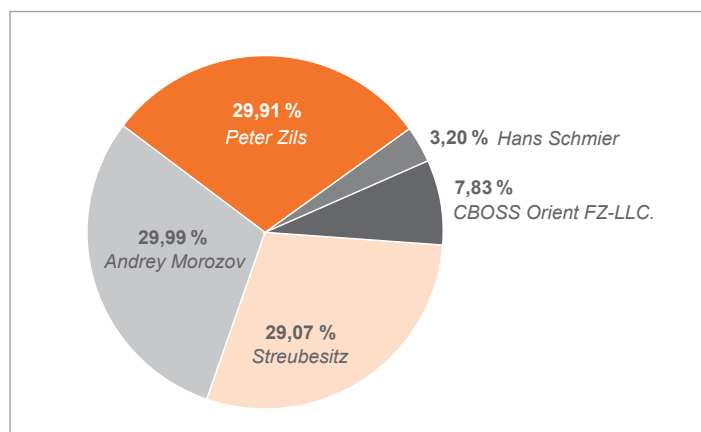
ecotel's shares began 2023 at € 30.80. The performance of ecotel's shares was predominantly positive over the first three quarters of 2023 and they comfortably outperformed the DAX and the TecDAX until the Annual General Meeting. The price of the shares dropped as anticipated after the Annual General Meeting and the payment of the dividend, since when the share price has declined slightly. ecotel's shares ended the first nine months of 2023 at a price of € 16.50. With 3.51 million shares outstanding, its market capitalisation is therefore € 57.9 million (30 September 2022: € 87.0 million). The average trading volume over 2023 to date has been 6,630 (previous year: 3,417).

The share capital of ecotel communication ag was un-

## Shareholder structure

changed with 3,510,000 shares as at 30 September 2023. Peter Zils and Andrey Morozov still each hold just under 30% of the shares. A further approximately 11% is held by various shareholders known to us on the basis of the relevant notifications (WpHG notifications > 3%). Free float therefore amounts to around 29%.

### Share ownership (30 September 2023) in percent

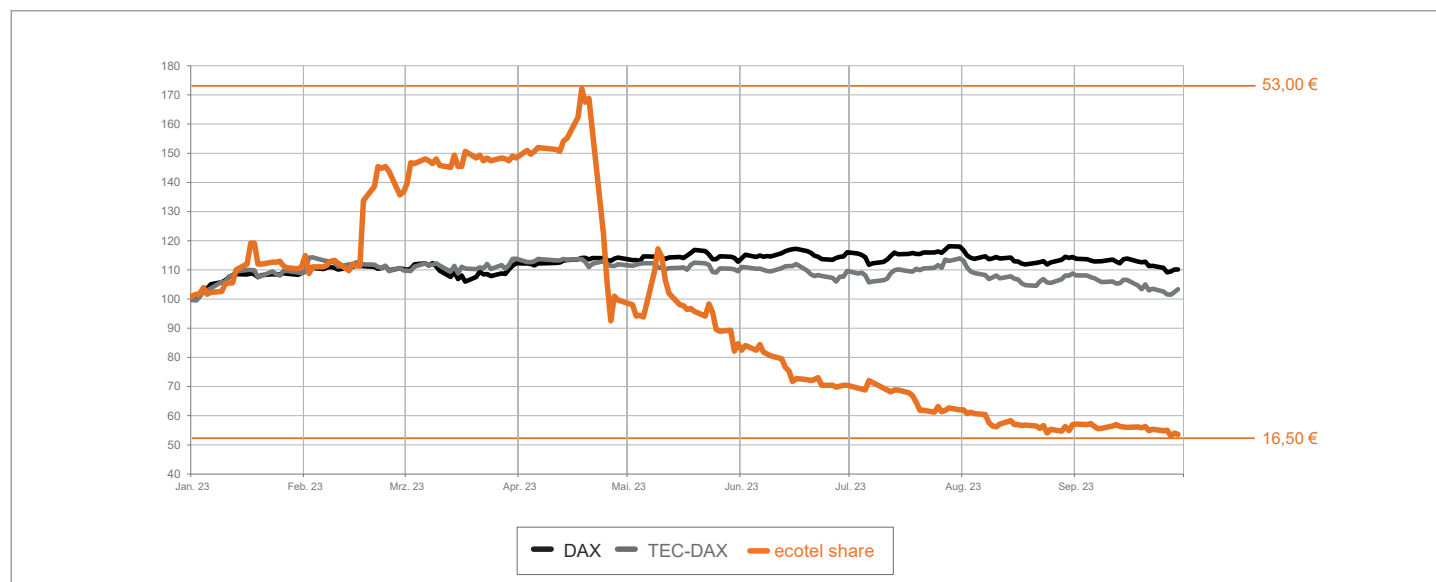


\* Based on the closing price of € 16.50 per share on 30 September 2023 with 3,510,000 shares outstanding

### Key figures Ø 2023

WKN	585434
ISIN	DE0005854343
Symbol	E4C
Market segment since 8 August 2007	Prime Standard
Index membership	CDAX, Prime All Share
Category	Technology All Share
Date of first listing	No-par-value shares
Quantity of shares as at 30 September 2023	3,510,000
<b>Average</b>	
daily volume in 2023	6,630
Highest price in 2023 (€)	53.00
Lowest price in 2023 (€)	16.50
Market capitalisation as at 30 September 2023 (in mil. euros)*	57.9
Designated sponsor	ICF Bank AG

### Price performance of ecotel shares in 2023 in percent



## Consolidated statement of financial position as at 30 September 2023 (unaudited)

€	31 Dec. 2022	30 Sept. 2023
<b>Assets</b>		
<b>A. Non-current assets</b>		
I. Intangible assets	14,397,064	15,032,612
II. Property, plant and equipment	5,238,715	5,050,691
III. Rights of use from leases	5,448,588	5,779,844
IV. Capitalised contract costs	2,948,196	3,107,016
V. Investments accounted for using the equity method	1,267,390	1,321,231
VI. Other financial assets	-	817,000
VII. Contract assets	25,681	-
<b>Total non-current assets</b>	<b>29,325,634</b>	<b>31,108,393</b>
<b>B. Current assets</b>		
I. Trade receivables	8,436,293	10,243,903
II. Contract assets	43,832	35,310
III. Other financial assets	736,877	274,479
IV. Other non-financial assets	951,035	1,326,607
V. Current income tax assets	1,985,570	1,707,012
VI. Cash and cash equivalents	66,931,629	7,397,975
<b>Total current assets</b>	<b>79,085,236</b>	<b>20,985,287</b>
<b>Total assets</b>	<b>108,410,870</b>	<b>52,093,680</b>

Differences in the totals may occur due to rounding.

## Consolidated statement of financial position as at 30 September 2023 (unaudited)

€	31 Dec. 2022	30 Sept. 2023
<b>Equity and liabilities</b>		
<b>A. Equity</b>		
I. Share capital	3,510,000	3,510,000
II. Capital reserves	2,121,065	2,210,049
III. Other reserves	76,609,285	17,663,558
<b>Total equity</b>	<b>82,240,350</b>	<b>23,383,607</b>
<b>B. Non-current liabilities</b>		
I. Deferred income taxes	1,022,664	1,034,011
II. Lease liabilities	4,947,807	5,520,226
III. Contract liabilities	504,135	361,163
IV. Other financial liabilities	235,547	-
<b>Total non-current liabilities</b>	<b>6,710,153</b>	<b>6,915,400</b>
<b>C. Current liabilities</b>		
I. Current income taxes	6,112,087	7,816,912
II. Lease liabilities	949,150	835,041
III. Trade payables	9,553,623	10,627,293
IV. Contract liabilities	864,144	661,550
V. Other financial liabilities	1,227,173	1,133,294
VI. Other non-financial liabilities	754,190	720,583
<b>Total current liabilities</b>	<b>19,460,367</b>	<b>21,794,673</b>
<b>Total equity and liabilities</b>	<b>108,410,870</b>	<b>52,093,680</b>

Differences in the totals may occur due to rounding.

**Consolidated statement of comprehensive income**

for the third quarter of 2023 and the first nine months of 2023 (unaudited)

€	Q1 to Q3 2022	Q1 to Q3 2023	Q3 2022	Q3 2023
1. Sales	68,959,556	78,193,612	24,183,133	26,628,119
2. Other operating income	15,723,715	6,598,097	383,566	65,747
3. Other own work capitalised	368,501	357,088	118,156	117,578
<b>4. Total operating performance</b>	<b>85,051,772</b>	<b>85,148,797</b>	<b>24,684,854</b>	<b>26,811,444</b>
5. Cost of materials				
Cost of purchased services	-46,438,181	-54,067,767	-16,755,540	-18,684,250
6. Staff costs				
6.1 Wages and salaries	-8,623,536	-10,174,017	-2,852,584	-3,253,290
6.2 Social security and expenses for pensions and other benefits	-1,427,643	-1,602,344	-491,108	-561,399
7. Depreciation and amortisation	-4,262,131	-3,652,362	-1,336,923	-1,146,726
<i>thereof amortisation of rights of use from leases</i>	<i>-741,585</i>	<i>-724,794</i>	<i>-248,718</i>	<i>-240,700</i>
8. Other operating expenses	-6,824,488	-8,417,567	-2,357,613	-2,677,963
<b>9. Operating result (EBIT)</b>	<b>17,475,793</b>	<b>7,234,740</b>	<b>891,087</b>	<b>487,816</b>
10. Finance income	4,121	471,156	3,011	35,305
11. Financial expenses	-206,321	-245,868	-63,347	-96,419
<i>thereof interest expense from lease liabilities</i>	<i>-137,213</i>	<i>-227,842</i>	<i>-44,789</i>	<i>-92,008</i>
12. Other financial expenses/income	702	-	458	-
13. Net income from investments accounted for using the equity method	100,899	203,691	20,019	81,053
<b>14. Net finance costs</b>	<b>-100,600</b>	<b>428,949</b>	<b>-39,859</b>	<b>19,940</b>
<b>15. Profit from ordinary activities before income taxes</b>	<b>17,375,193</b>	<b>7,663,690</b>	<b>851,228</b>	<b>507,756</b>
16. Income taxes	-4,495,470	-2,324,307	-312,222	-89,844
<b>17. Earnings after taxes from continuing operations</b>	<b>12,879,723</b>	<b>5,339,383</b>	<b>539,007</b>	<b>417,912</b>
18. Earnings after taxes from discontinued operations	4,673,993	1,773,092	1,711,475	-
<b>19. Net profit (= consolidated comprehensive income)</b>	<b>17,553,716</b>	<b>7,112,474</b>	<b>2,250,482</b>	<b>417,912</b>
20. Allocation of net profit to				
20.1 Owners of the parent (consolidated net profit)	15,300,684	7,112,474	1,469,063	417,912
20.2 Minority interests	2,253,032	-	781,419	-

€	Q1 to Q3 2022	Q1 to Q3 2023	Q3 2022	Q3 2023
Basic earnings per share	4.36	2.03	0.42	0.12
Diluted earnings per share <sup>1</sup>	3.96	1.84	0.38	0.11

<sup>1</sup>No stock options were exercised in the first three quarters of 2023 (four-year vesting period).

The "Other comprehensive income" item has not been presented due to a lack of relevant information.

Prior-year figures were restated.

Differences in the totals may occur due to rounding.



## Contact

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## Legal notice

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## Disclaimer

### Liability disclaimer:

This report (in particular the »Outlook« section) contains forward-looking statements that reflect the current views of ecotel's management with regard to future events. Such statements are generally characterised by the words »expect«, »anticipate«, »assume«, »intend«, »estimate«, »aim for«, »target«, »plan«, »will«, »endeavour«, »outlook« and comparable expressions, and they generally contain information relating to the expectations or targets for sales, EBITDA or other performance indicators. Forward-looking statements are based on currently applicable plans, assessments and expectations. They should therefore be treated with caution. Such statements are subject to risks and uncertainties that tend to be difficult to estimate and are generally beyond ecotel's control.

Other possible factors that could significantly impact the cost and sales development include changes in interest rates, regulatory requirements, more intensive competition than anticipated, changes in technologies, legal disputes and supervisory law developments. If these or other risks and uncertainties materialise, or if the assumptions on which the statements are based prove to be incorrect, then ecotel's actual results could differ significantly from those expressed or implied in these statements.

ecotel cannot provide any guarantee that the expectations or targets will be achieved and – notwithstanding existing obligations under capital market law – does not accept any responsibility for updating forward-looking statements to take account of new information, future events or other things.

In addition to the figures prepared in accordance with IFRS, ecotel also presents pro forma figures such as gross profit, EBITDA, EBITDA margin, free cash flow as well as gross and net financial liabilities, which are not covered by the financial reporting standards. These figures should be seen as supplementary but not a substitute to the data prepared in accordance with IFRS. Pro forma figures are not covered by IFRS or any other generally applicable financial reporting standards. Other companies may base these terms on different definitions.