

QUARTERLY
20 **22**
REPORT Q1

Profit and loss account (IFRS)		1 st quarter 2021	1 st quarter 2022
Revenue	in million euros	20.4	27.2
ecotel Business Solutions	in million euros	11.5	11.3
ecotel Wholesale	in million euros	2.2	8.9
easybell	in million euros	6.2	6.7
nacamar	in million euros	0.6	0.3
Gross profit	in million euros	10.7	11.8
ecotel Business Solutions	in million euros	6.7	7.1
ecotel Wholesale	in million euros	0.2	0.3
easybell	in million euros	3.4	4.1
nacamar	in million euros	0.4	0.2
EBITDA ¹	in million euros	3.9	4.7
ecotel Business Solutions	in million euros	1.8	2.1
ecotel Wholesale	in million euros	0.1	0.1
easybell	in million euros	1.9	2.5
nacamar	in million euros	0.2	0.0
Operating result (EBIT)	in million euros	2.0	2.9
Consolidated profit ²	in million euros	0.9	1.3
Earnings per share ³	in €	0.25	0.37

Cash flow (IFRS)		1 st quarter 2021	1 st quarter 2022
Cash and cash equivalents as of 1/1	in million euros	7.8	12.6
Cash flow from ongoing business activities	in million euros	2.8	3.0
Cash flow from investment activities	in million euros	-1.6	-1.2
Cash flow from financing activities	in million euros	-1.0	-1.0
Financial resources as of 3/31	in million euros	8.0	13.5
Free cash flow ⁴	in million euros	1.2	1.8

Balance sheet (IFRS)		1 st quarter 2021	1 st quarter 2022
Balance sheet total	in million euros	52.8	61.4
Equity	in million euros	24.8	31.1
in % of the balance sheet total		47.0 %	50.7 %
Net financial assets ⁵	in million euros	3.1	11.0

Other key figures		1 st quarter 2021	1 st quarter 2022
Number of shares as of 3/31 (outstanding shares)	Number	3,510,000	3,510,000
Employees as of 3/31 ⁶	Number	273	277
Personnel expenses	in million euros	4.3	4.6

¹ Earnings before interest, taxes, depreciation and amortization

² Corresponds to the consolidated profit after deduction of minority interests

³ Both undiluted and diluted

⁴ Free cash flow = cash flow from ongoing business activities + cash flow from investment activities

⁵ Loans payable minus funds

⁶ Without minority companies (mvneco)

Differences in the totals can occur due to commercial rounding.

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Dear Shareholders,

We started off financial year 2022 with consolidated revenue of € 27.2 million (prev. year: € 20.4 million) and gross profit of € 11.8 million (prev. year: € 10.7 million) as planned. Due to increasing scalability of the products, virtually this entire increase in gross profit of € 1.1 million was manifested in the form of higher EBITDA. In the first three months of 2022 ecotel was therefore able to increase EBITDA by € 0.8 million to € 4.7 million. After deducting virtually unchanged depreciations, Group EBIT totaled € 2.9 million (prev. year: € 2.0 million) and after deducting minorities and taxes, the Group reported a consolidated surplus totaling € 1.3 million (prev. year: € 0.9 million) or EPS of € 0.37 per share (prev. year: € 0.25 per share).

The breakout of war in Ukraine and the related incidents as well as the global economic effects of this conflict, as well as the restrictions of global supply chains still resulting from the COVID-19 pandemic, have had only minor consequences for ecotel. As a result of product demand, our customers' solvency and the performance of our upstream suppliers, there have been no restrictions in our business operations. However, rising energy costs, especially for electric power for operation of the data center infrastructure and for special end customer devices, have caused higher prices and longer delivery times.

Revenue in the core segment »ecotel Business Solutions« decreased slightly as expected to € 11.3 million (prev. year: € 11.5 million) in first quarter 2022. At the end of financial year 2021 a major customer terminated some services in this segment. Meanwhile, these costs have been compensated by new key account projects, but will not generate significant revenue until the second half-year 2022.

With this temporary reduction in revenue, gross profit in this segment continued to increase to € 7.1 million (prev. year: € 6.7 million). The gross profit margin grew to just under 64 % (prev. year: 58 %). After deducting partner commissions, personnel and other expenses, EBITDA increased by € 0.3 million to € 2.1 million.

Last year's expansion of the product portfolio to include innovative cloud services (e.g. cloud telephony, collaboration solutions, SD-WAN connections, etc.) is increasingly having a positive effect on the business development of the ecotel Business Solutions segment.

The »easybell« segment grew in the first three months of financial year 2022 in revenue (+ € 0.5 million to € 6.7 million) and gross profit (+ € 0.7 million to € 4.1 million) as well as EBITDA (€ 0.6 million to € 2.5 million). The business model with intelligent product bundles consisting of telephony and data connections as well as the cloud telephone system continues to result in this sustainable growth. The focus of further development will be on sustainable growth, both in the domestic market and, in the future, abroad.

In consideration of all currently known opportunities and risks, we confirm the forecast for 2022: for the core segment »ecotel Business Solutions« we expect revenue in a corridor of € 47 – 50 million, in the »Wholesale« segment € 20 – 25 million and in the »easybell« segment € 27 – 30 million. EBITDA is expected to be within a corridor of € 20 – 22 million, with expected EBITDA of € 8.5 to 10.5 million from the »ecotel Business Solutions« segment and expected EBITDA of € 9.5 to 11.5 million from the »easybell« segment.

Düsseldorf, in May 2022



Peter Zils
Co-chairman



Markus Hendrich
Co-chairman



Achim Theis
Management Board

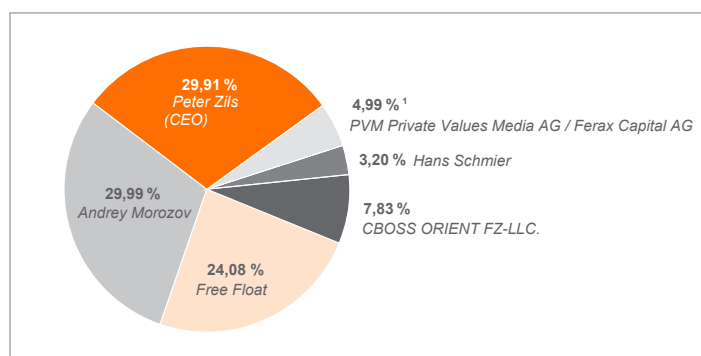
Overview of the ecotel share

The ecotel share started the year 2022 at a historic high of € 38.60. In the first quarter 2022 the ecotel share showed a downward tendency – as did the DAX 40 and TecDAX. Due to global uncertainties and fluctuations on the stock markets, the ecotel share reached its lowest level – € 23.00 – in the first quarter at the beginning of March 2022. The share closed the first quarter slightly improved at € 30.40. With an unchanged total of 3.51 million outstanding shares, this results in market capitalization of € 108.1 million (March 31, 2021: € 47.7 million). The average trading volume in the first three months totaled 4,858 shares (Q1 2021: 3,557 shares).

Shareholder structure

As of March 31, 2022 the share capital of ecotel communication ag remained unchanged at 3,510,000 shares. Peter Zils (CEO of ecotel) and Andrey Morozov each hold just under 30 % of the shares. Approximately another 16 % are distributed to the shareholders, as reported to us accordingly (WpHG notifications > 3 %). The diversified holdings therefore totaled approximately 24 %.

Shareholdings (3/31/2022) in percent



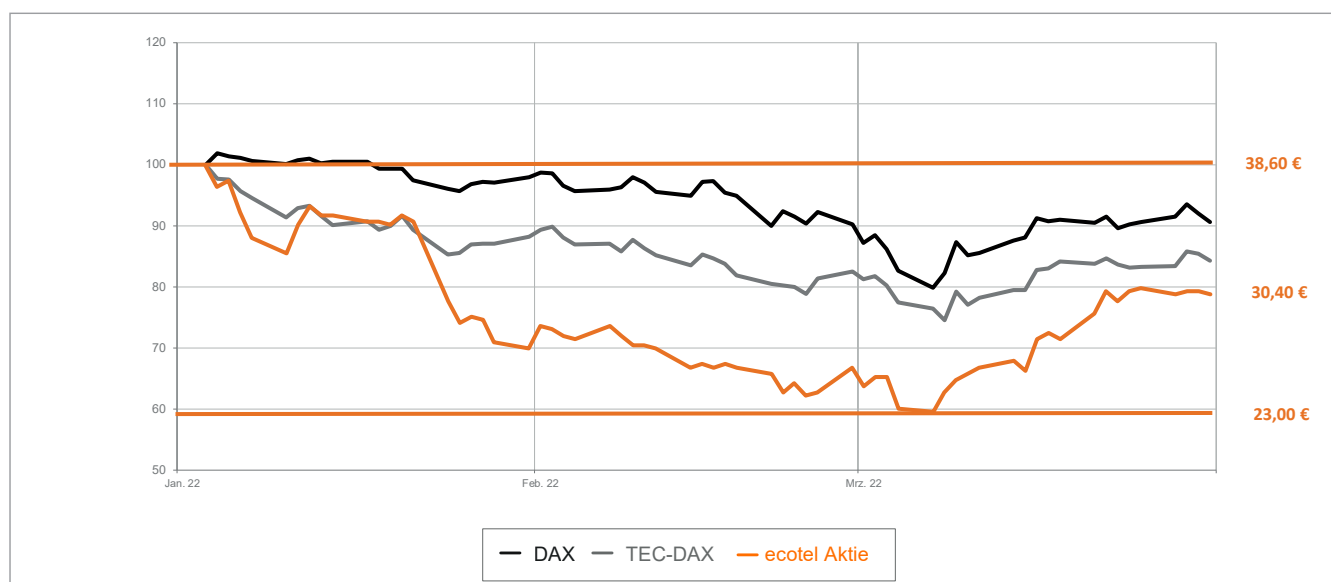
¹ according to the last notice of 5/6/2022.

Key figures Ø 2022

WKN	585434
ISIN	DE0005854343
Symbol	E4C
Market segment since 8/8/2007	Prime Standard
Index affiliation	CDAX, Prime All Share Technology All Share
Class	Non par value shares
Date of first listing	3/29/2006
Number of shares as of 3/31/2022	3,510,000
Average daily trading volume 2022	4,858
High share price 2022 (€)	38.00
Low share price 2022 (€)	23.00
Market capitalization as of 3/31/2022 (in million €)*	108.1
Designated sponsor	ICF BANK AG

* Based on the final quotation on March 31, 2022 of € 30.80 per share for 3,510,000 outstanding shares

Price trend of the ecotel share in 2022 in percent



Significant developments in the Group in first quarter 2022:

The breakout of war in Ukraine and the related incidents as well as the global economic effects of this conflict, as well as the restrictions of global supply chains still resulting from the COVID-19 pandemic, have had only minor consequences for ecotel. As a result of product demand, our customers' solvency and the performance of our upstream suppliers, there have been no restrictions in our business operations. However, rising energy costs, especially for electric power for operation of the data center infrastructure and for special end customer devices, have caused higher prices and longer delivery times.

Consolidated revenue increased to € 27.2 million (prev. year: € 20.4 million) and **gross profit** to € 11.8 million (prev. year: € 10.7 million). Virtually the entire increase in gross profit of € 1.1 million was manifested as higher EBITDA due to increasing scalability of the products.

Personnel expenses increased by € 0.3 million to € 4.6 million. The total of **other operating income and expenses** remained constant at approximately € -2.5 million.

In the first three months of 2022 ecotel was therefore able to increase **EBITDA** by € 0.8 million to € 4.7 million.

After deducting virtually unchanged depreciations totaling € 1.8 million, the Group achieved EBIT of € 2.9 million (prev. year: € 2.0 million). After deducting minorities and taxes, the Group showed a **consolidated surplus** of € 1.3 million (prev. year: € 0.9 million) or EPS of € 0.37 (prev. year: € 0.25).

The strong business development led to further improvement of the assets and financial situation. In the first three months the Group achieved **free cash flow** totaling € 1.8 million, and **net financial assets** increased to € 11.0 million as of March 31, 2022 (12/31/2021: € 10.5 million).

With a slightly higher balance sheet sum of € 61.4 million and a € 2.0 million increase in equity capital to € 31.1 million, ecotel reports an **equity ratio** of 50.7 % (12/31/2021: 47.6 %).

Development of the most important segments:

Revenue in the core segment »ecotel Business Solutions« decreased slightly as expected to € 11.3 million (prev. year: € 11.5 million) in first quarter 2022. At the end of financial year 2021 a major customer terminated some services in this segment. Meanwhile, these costs have been compensated by new key account projects, but will not generate significant revenue until the second half-year 2022.

With this temporary reduction in revenue, gross profit in this segment continued to increase to € 7.1 million (prev. year: € 6.7 million). The gross profit margin grew to just under 64 % (prev. year: 58 %). After deducting partner commissions, personnel and other expenses, EBITDA increased by € 0.3 million to € 2.1 million.

Last year's expansion of the product portfolio to include innovative cloud services (e.g. cloud telephony, collaboration solutions, SD-WAN connections, etc.) is increasingly having a positive effect on the business development of the ecotel Business Solutions segment.

The »easybell« segment grew in the first three months of financial year 2022 in revenue (+ € 0.5 million to € 6.7 million) and gross profit (+ € 0.7 million to € 4.1 million) as well as EBITDA (€ 0.6 million to € 2.5 million). The business model with intelligent product bundles consisting of telephony and data connections as well as the cloud telephone system continues to result in this sustainable growth. The focus of further development will be on sustainable growth, both in the domestic market and, in the future, abroad.

Consolidated Balance Sheet as of March 31, 2022 (unaudited)

EUR	12/31/2021	3/31/2022
Assets		
A. Non-current assets		
I. Intangible assets	14,765,225	15,211,577
II. Fixed assets	8,485,378	8,196,493
III. Rights of use from leasing agreements	6,534,486	6,248,888
IV. Capitalized contract costs	3,335,303	3,271,464
V. Financial assets measured at equity	1,124,219	1,173,585
VI. Contract assets	69,513	56,696
VII. Deferred income tax claims	691,210	610,096
Total non-current assets	35,005,334	34,768,799
B. Current assets		
I. Trade receivables	10,599,902	9,759,075
II. Contract assets	51,269	51,268
III. Other financial assets	358,462	1,012,100
IV. Other non-financial assets	636,456	923,449
V. Actual income tax claims	1,791,657	1,394,592
VI. Cash and cash equivalents	12,639,795	13,473,823
Total current assets	26,077,541	26,614,307
Total assets	61,082,875	61,383,106

Differences in the totals can occur due to commercial rounding.

Consolidated Balance Sheet as of March 31, 2022 (unaudited)

EUR	12/31/2021	3/31/2022
Liabilities		
A. Equity capital		
I. Subscribed capital	3,510,000	3,510,000
II. Capital reserves	2,002,095	2,031,430
III. Other provisions	18,730,920	20,015,773
Shares of the owners of the parent company	24,243,015	25,557,203
IV. Shares of other shareholders	4,807,928	5,550,291
Total equity capital	29,050,942	31,107,494
B. Non-current liabilities		
I. Deferred income tax	1,145,791	1,268,110
II. Non-current loans	666,666	500,000
III. Lease payables	5,703,870	5,469,492
IV. Contract liabilities	1,068,168	921,936
V. Other financial liabilities	675,418	567,169
Total non-current liabilities	9,259,913	8,726,707
C. Current liabilities		
I. Actual income tax	1,979,553	2,346,883
II. Current loans	2,416,667	1,979,167
III. Lease payables	1,265,283	1,262,748
IV. Accounts payable	11,043,348	10,570,238
V. Contract liabilities	1,137,341	1,181,483
VI. Provisions	3,500	3,500
VII. Other financial liabilities	2,551,169	2,091,758
VIII. Other non-financial liabilities	2,375,159	2,113,128
Total current liabilities	22,772,020	21,548,905
Total liabilities	61,082,875	61,383,106

Differences in the totals can occur due to commercial rounding.

Consolidated profit statement

for first quarter 2022 and for the first three months of 2021 (unaudited)

EUR	1/1–3/31/2021	1/1–3/31/2022
1. Sales revenue	20,434,896	27,194,289
2. Other operating income	133,954	171,820
3. Other company-manufactured items capitalized	169,602	259,649
4. Total revenue	20,738,452	27,625,758
5. Cost of materials		
Expenses for services purchased	-9,769,883	-15,383,480
6. Personnel expenses		
6.1 Wages and salaries	-3,693,050	-3,984,089
6.2 Social contributions and expenses for pensions and benefits	-609,272	-652,260
7. Depreciations		
7.1 Depreciations on intangible assets and property, plant and equipment	-1,543,856	-1,514,588
7.2 Depreciations on rights of use from leasing agreements	-332,305	-328,795
8. Other operating expenses	-2,777,049	-2,907,682
9. Operating result (EBIT)	2,013,036	2,854,864
10. Interest income	42	742
11. Interest expense		
11.1 Interest expenses for loans payable and other financial liabilities	-44,385	-26,558
11.2 Interest expense for leasing liabilities	-54,073	-48,267
12. Other financial expenses and income	-1	95
13. Earnings from financial assets measured at equity	62,722	49,365
14. Financial result	-35,695	-24,623
15. Earnings from normal business activities before income tax	1,977,341	2,830,241
16. Taxes on income and earnings	-551,566	-803,025
17. Surplus (= total consolidated profit)	1,425,775	2,027,216
18. Allocation of the surplus to the		
18.1 Owners of the parent company (consolidated surplus)	884,727	1,284,853
18.2 Shares of other shareholders	541,048	742,363
EUR	1/1–3/31/2021	1/1–3/31/2022
Undiluted earnings per share	0.25	0.37
Diluted earnings per share*	0.25	0.37

* As of 3/31/2022, as in the previous year, there was no dilution of the earnings per share. In the first three months of 2022 no share options were exercised (4-year qualifying period).
Due to lack of data, »other comprehensive income« is not reported.
Differences in the totals can occur due to commercial rounding.

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Legal disclosure

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Disclaimer

Exclusion of liability:

This report (especially the »Outlook« section) contains forward-looking statements, which reflect the current views of ecotel's Management with respect to future events. They are generally characterized by the words »expect«, »assume«, »presume«, »intend«, »estimate«, »strive«, »set as a goal«, »plan«, »become«, »aspire to«, »outlook« and similar expressions and generally contain information that refers to the expectations or goals for sales revenue, EBITDA or other performance-related standards. Forward-looking statements are based on current plans, estimates and expectations. They should therefore be viewed with caution. Such statements involve risks and uncertain factors, most of which are difficult to assess and which generally are beyond the control of ecotel.

Other possible factors that can significantly affect the cost and revenue development are changes in interest rates, regulatory requirements, stronger than expected competition, changes in technologies, legal disputes and supervisory developments. If these or other risks and factors of uncertainty occur, or if the assumptions on which the statements are based turn out to be incorrect, ecotel's actual results can diverge substantially from those expressed or implied in these statements.

ecotel can make no guarantee that the expectations or goals will be achieved. Notwithstanding existing capital market obligations, ecotel refuses to accept any responsibility whatsoever for updating the forward-looking statements by taking into account new information or future events or other issues.

In addition to the key figures presented in accordance with IFRS, ecotel also presents pro forma key figures, such as gross profit, EBITDA, EBITDA margin, free cash flow and gross and net financial obligations, which are not covered by the accounting regulations. These key figures are intended as a supplement, but not as a substitute for the information presented in accordance with IFRS. Pro forma key figures are subject neither to IFRS nor other generally applicable accounting regulations. Other companies may, under some circumstances, use different definitions for these terms.