

# 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.

# Q1

| Profit and Loss Statement (IFRS)                         |               | 1 <sup>st</sup> Quarter 2022 | 1 <sup>st</sup> Quarter 2023 |
|--|---------------|------------------------------|------------------------------|
| <b>Sales from continuing operations</b>                  | in mil. euros | <b>20.2</b>                  | <b>28.6</b>                  |
| ecotel business customers                                | in mil. euros | 11.3                         | 11.4                         |
| ecotel Wholesale   | in mil. euros | 8.9                          | 17.2                         |
| <b>Gross profit from continued operations</b>            | in mil. euros | <b>7.5</b>                   | <b>8.1</b>                   |
| ecotel business customers                                | in mil. euros | 7.1                          | 7.7                          |
| ecotel Wholesale   | in mil. euros | 0.3                          | 0.4                          |
| <b>EBITDA <sup>1</sup></b>                               | in mil. euros | <b>2.2</b>                   | <b>7.3</b>                   |
| <b>Operating EBITDA <sup>2</sup></b>                     | in mil. euros | <b>2.2</b>                   | <b>3.4</b>                   |
| ecotel business customers                                | in mil. euros | 2.1                          | 3.2                          |
| ecotel Wholesale   | in mil. euros | 0.1                          | 0.2                          |
| <b>Operating result (EBIT) from continued operations</b> | in mil. euros | <b>0.7</b>                   | <b>6.0</b>                   |
| <b>Consolidated net income</b>                           | in mil. euros | <b>1.3</b>                   | <b>4.5</b>                   |
| thereof from discontinued operations                     | in mil. euros | 0.7                          | 0.1                          |
| Number of shares as of 03/31. (outstanding shares)       | Quantity      | 3,510,000                    | 3,510,000                    |
| <b>Earnings per share <sup>3</sup></b>                   | in euros      | <b>0.37</b>                  | <b>1.29</b>                  |

| Cash flow (IFRS)                       |                      | 1 <sup>st</sup> Quarter 2022 | 1 <sup>st</sup> Quarter 2023 |
|--|----------------------|------------------------------|------------------------------|
| Cash and cash equivalents as of 01/01. | in mil. euros        | 12.6                         | 66.9                         |
| Cash flow from operating activities    | in mil. euros        | 3.0                          | 6.8                          |
| Cash flow from investing activities    | in mil. euros        | -1.2                         | -1.0                         |
| Cash flow from financing activities    | in mil. euros        | -1.0                         | -0.2                         |
| Cash and cash equivalents as of 03/31. | in mil. euros        | 13.5                         | 72.5                         |
| <b>Free Cash flow <sup>4</sup></b>     | <b>in mil. euros</b> | <b>1.8</b>                   | <b>5.8</b>                   |

| Balance sheet (IFRS)                     |               | 1 <sup>st</sup> Quarter 2022 | 1 <sup>st</sup> Quarter 2023 |
|--|---------------|------------------------------|------------------------------|
| Balance sheet total                      | in mil. euros | 61.4                         | 117.2                        |
| Equity                                   | in mil. euros | 31.1                         | 86.8                         |
| in % of balance sheet total              | in %          | 50.7%                        | 74.1%                        |
| <b>Net financial assets <sup>5</sup></b> | in mil. euros | <b>11.0</b>                  | <b>72.5</b>                  |

| Further key figures   |               | 1 <sup>st</sup> Quarter 2022 | 1 <sup>st</sup> Quarter 2023 |
|-----------------------|---------------|------------------------------|------------------------------|
| Employees as of 03/31 | Quantity      | 199                          | 210                          |
| Personnel expenses    | in mil. euros | 3.3                          | 4.4                          |

There may be differences in the totals due to commercial rounding.

Previous year's values have been adjusted.

<sup>1</sup> Earnings before scheduled and unscheduled impairments, financial result and income taxes

<sup>2</sup> Definition, see the Consolidated Management Report in the 2022 Annual Report on page 52

<sup>3</sup> Basic

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

<sup>5</sup> Cash and cash equivalents

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**Dear Shareholders,**

The start of the 2023 financial year went well for us as planned, accompanied by two extraordinary items, where the key figures were even exceeded.

As announced earlier in the 2022 Annual Report, the nacamar segment was successfully incorporated into Uplink Digital GmbH on April 04, 2023. In addition to ecotel, Uplink Network GmbH and Radio 5.0 GmbH are also involved in this new company, which in turn have also contributed their business operations to the joint company. In return, we received an approximately 25% stake in the joint Uplink Digital GmbH, as well as a cash settlement of 1.3 mil. euros. Therefore, the previous 100% holding in nacamar GmbH will no longer be fully included in the consolidated financial statements of ecotel communication ag in the future.

In February 2023, further usage rights to internet resources were also sold. After deduction of all costs associated with this transaction, the Group received around 5.4 mil. euros from this transaction, around 4.0 mil. euros more than planned; by definition, this excess non-scheduled revenue will not be shown in operating EBITDA in order to enable better comparability with previous periods.

On April 21, 2023, the Annual General Meeting approved the proposed dividend totaling 18.82 euros per share entitled to a dividend. As a result, ecotel communication ag distributed a dividend of 66.1 mil. euros. This distribution took place after March 31, 2023 and is of course not yet included in the key balance sheet figures.

Consolidated sales from continued operations grew to 28.6 mil. euros in the reporting period (prev. year 20.2 mil. euros). This increase was mainly driven by the ecotel Wholesale segment (+ 8.3 mil. euros). Slight growth (+ 0.1 mil. euros) was also achieved in the core segment of ecotel Business Customers in the first quarter of 2023. The project orders won at the end of the previous year are also gradually becoming visible in the sales figures. In addition, the “cloud” and “fiber” marketing campaign was successfully initiated not least as part of the successfully partner congress in mid-March. The gross profit from continued operations increased by 0.6 mil. euros to 8.1 mil. euros in the first quarter. The ecotel Business Customers segment made a significant contribution to this growth with 0.6 mil. euros. In addition to reduced expenditure on energy, changes in the mix of wholesale services in particular have a positive and lasting effect on profitability.

The growth investments planned for this year in sales and sales-support resources as well as the development of new sales channels are having the expected impact of higher personnel expenses and increased operating expenses. At the same time, the group was able to generate additional income of 7.3 mil. euros (prev. year: 2.2 mil. euros) with the aforementioned unscheduled extraordinary items. Operating EBITDA corrected for these effects increased to 3.4 mil. euros (prev. year 2.2 mil. euros). After deducting depreciation and amortization (-1.3 mil. euros), taking into account the financial result (+0.4 mil. euros) and taxes (-2.0 mil. euros), ecotel achieved a result of 4.5 mil. euros in the first quarter (prev. year 1.3 mil. euros). This corresponds to earnings per share of 1.29 euros (prev. year 0.37 euros).

The Board of Directors is adhering to the forecast for the 2023 financial year.

Düsseldorf, May 2023



Markus Hendrich  
Chairman of the Board



Achim Theis  
Board of Directors

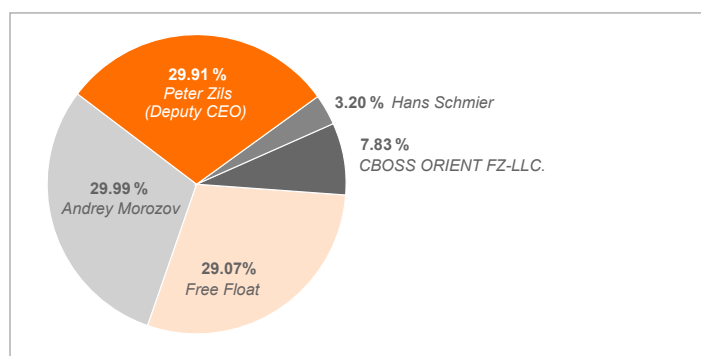
## The ecotel share at a glance

The ecotel share started 2023 at 30.80 euros. In the first quarter of 2023, the share reached a peak value of 46.40 euros and trended significantly better than the DAX40 or the TecDAX. After the announcement of the proposed dividend of EUR 18.82 per share, the price jumped by > 30% within a short period. The ecotel share ended the first quarter of 2023 at 45.70 euros with 3.51 mil. shares outstanding, resulting in a market capitalization of 160.4 mil. euros (March 31, 2022: 108.1 mil. euros). The average trading volume in the first three months was 7,809 shares (Q1 2022: 4.858 shares)

## Shareholder structure

As of March 31, 2023, the share capital of ecotel communication ag remained unchanged at 3,510,000 shares. Mr. Peter Zils and Mr. Andrey Morozov each hold almost 30% of the shares. A further 11% are distributed among the shareholders who are known to us through corresponding notifications (Securities Trading Act notifications > 3%). The free float is therefore around 29%.

## Shareholding (03/31/2023) in percent

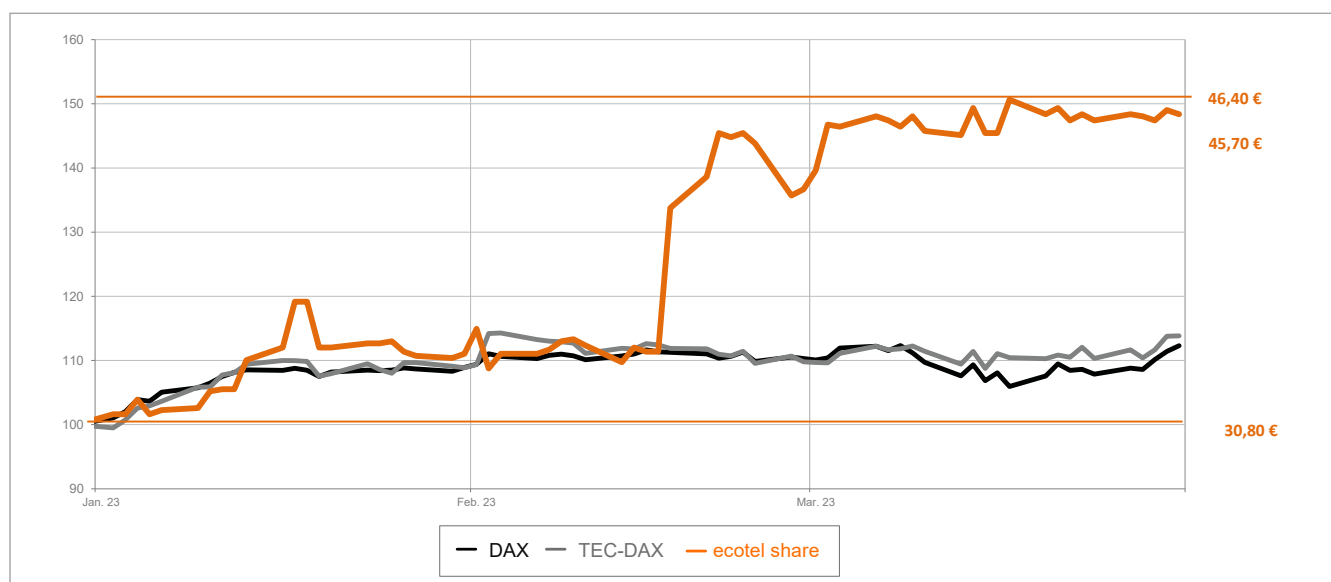


## Key figures Ø 2023

|  |   |
|--|---|
| WKN  | 585434  |
| ISIN   | DE0005854343                                  |
| Symbol   | E4C   |
| Market segment since 08/08/2007                      | Prime Standard                                |
| Index membership                                     | CDAX, Prime All Share<br>Technology All Share |
| Category   | Shares  |
| Date of initial listing                              | 03/29/2006                                    |
| Number of shares as of 03/31/2023                    | 3,510,000                                     |
| Average daily volume 2023                            | 7,809   |
| 2023 historical high (euros)                         | 46.40   |
| 2023 historical low (euros)                          | 30.80   |
| Market capitalization as of 03/31/2023 (mil. euros)* | 160.4   |
| Designated Sponsor                                   | ICF BANK AG                                   |

\* Based on the closing price on March 31, 2023 from 45.70 euros per share with 3,510,000 outstanding shares

## Price trend of the ecotel share in 2023 in percent



### Key Group developments in the first quarter of 2023:

The nacamar segment is classified as held for sale. The previous year's figures have been adjusted accordingly. On March 31, 2023, a contract was concluded with Uplink Network GmbH and Radio 5.0 GmbH (signing). On April 4, 2023 (closing), nacamar GmbH was merged into the newly founded Uplink Digital GmbH on the basis of this participation agreement. Pursuant to this contract, ecotel communication ag contributed its 100% stake in nacamar GmbH to the new company. In return, ecotel received an approximately 25% stake in the new, joint Uplink Digital GmbH, as well as a cash settlement of 1.3 mil. euros. As a result of this contribution, ecotel gave up control of nacamar GmbH. For this reason, nacamar GmbH will no longer be consolidated in the consolidated financial statements of ecotel communication ag in the future.

In February 2023, further usage rights to internet resources were sold. After deduction of all costs associated with this transaction, the Group received around 5.4 mil. euros, of which 4.0 mil. euros is to be regarded as unscheduled and is therefore deducted from the operating EBITDA.

On April 21, 2023, i.e. after the reporting date of March 31, 2023, the Annual General Meeting approved the proposed dividend of 18.82 euros per share entitled to a dividend. As a result, ecotel communication ag distributed dividends totaling 66.1 mil. euros. This distribution is not recognized in the balance sheet as of March 31, 2023.

Overall, **consolidated sales** from continued operations increased from 20.2 mil. euros to 28.6 mil. euros. This increase was mainly driven by the ecotel Wholesale segment. With this increase in sales, the **gross profit** from continued operations was also able to increase significantly by 8% from 7.5 mil. euros to 8.1 mil. euros.

**Operating EBITDA** increased by 1.2 mil. euros to 3.4 mil. euros. Reported EBITDA increased from 2.2 mil. euros to 7.3 mil. euros.

These positive developments lead to a **consolidated net profit** in the first quarter of 2023 of 4.5 mil. euros, or 1.29 euros per share.

The **balance sheet total** as of March 31, 2023 increased significantly year-on-year to 117.2 mil. euros, as did **equity** (86.8 mil. euros) and **net financial assets** (72.5 mil. euros). As a result of the above-described dividend distribution of 66.1 mil. euros from April 2023, these amounts were reduced accordingly.

**Sales** in the core segment “**ecotel business customers**” increased slightly to 11.4 mil. euros in the first quarter of 2023 (prev. year: 11.3 mil. euros). The loss of a larger customer in the previous year was slightly overcompensated by growth in the new “**cloud**” and “**fiber**” focus areas.

With this slight increase in sales, the **gross profit** in this segment increased significantly by 0.6 mil. euros to 7.7 mil. euros. In addition to reduced expenditure on energy, changes in the mix of wholesale services in particular have a positive and lasting effect on profitability.

With this gross profit, the ecotel Business Customers segment achieved an **operating EBITDA** of 3.2 mil. euros (prev. year 2.1 mil. euros). Operating EBITDA includes scheduled income from the sale of usage rights to Internet resources totaling 1.4 mil. euros. The announced investments in sales-support resources and the development of new sales channels as well as measures to promote the new “**cloud**” and “**fiber**” strategy have had a planned impact on the EBITDA of the ecotel Business Customers segment.

The “**ecotel Wholesale**” segment increased **sales** to 17.2 mil. euros in the first quarter of 2023 (prev. year: 8.9 mil. euros). The increasing focus on the marketing of data lines for national and international carriers led to an increase in **gross profit** to 0.4 mil. euros and in **EBITDA** to 0.2 mil. euros.

## Consolidated statement of financial position as of March 31, 2023 (unaudited)

| EUR  | 12/31/2022         | 03/31/2023         |
|--|--------------------|--------------------|
| <b>Assets</b>  |                    |                    |
| <b>A. Non-current assets</b>                         |                    |                    |
| I. Intangible assets                                 | 14,397,064         | 14,507,682         |
| II. Property, plant and equipment                    | 5,238,715          | 5,267,111          |
| III. Rights of use from leases                       | 5,448,588          | 5,243,185          |
| IV. Capitalized contract costs                       | 2,948,196          | 2,977,331          |
| V. Investments accounted for using the equity method | 1,267,390          | 1,197,545          |
| VI. Contract assets                                  | 25,681             | 16,050             |
| VII. Deferred income tax assets                      | -                  | -                  |
| <b>Total non-current assets</b>                      | <b>29,325,634</b>  | <b>29,208,905</b>  |
| <b>B. Current assets</b>                             |                    |                    |
| I. Trade receivables                                 | 8,436,293          | 10,851,373         |
| II. Contract assets                                  | 43,832             | 40,645             |
| III. Other financial assets                          | 736,877            | 1,066,957          |
| IV. Other non-financial assets                       | 951,035            | 1,552,552          |
| V. Current income tax assets                         | 1,985,570          | 1,746,535          |
| VI. Cash and cash equivalents                        | 66,931,629         | 72,455,619         |
| VII. Assets held for sale                            | --                 | 258,659            |
| <b>Total current assets</b>                          | <b>79,085,236</b>  | <b>87,972,340</b>  |
| <b>Total assets</b>                                  | <b>108,410,870</b> | <b>117,181,245</b> |

There may be differences in the totals due to commercial rounding.

## Consolidated statement of financial position as of March 31, 2023 (unaudited)

| EUR   | 12/31/2022         | 03/31/2023         |
|---|--------------------|--------------------|
| <b>Equity and liabilities</b>                             |                    |                    |
| <b>A. Equity</b>  |                    |                    |
| I. Issued capital   | 3,510,000          | 3,510,000          |
| II. Capital reserve                                       | 2,121,065          | 2,150,400          |
| III. Other reserves                                       | 76,609,285         | 81,131,006         |
| <b>Total equity</b>                                       | <b>82,240,350</b>  | <b>86,791,407</b>  |
| <b>B. Non-current liabilities</b>                         |                    |                    |
| I. Deferred income taxes                                  | 1,022,664          | 936,950            |
| II. Non-current loans                                     | -                  | -                  |
| III. Lease liabilities                                    | 4,947,807          | 4,741,303          |
| IV. Contract liabilities                                  | 504,135            | 451,695            |
| V. Other financial liabilities                            | 235,547            | -                  |
| <b>Total non-current liabilities</b>                      | <b>6,710,153</b>   | <b>6,129,948</b>   |
| <b>C. Current liabilities</b>                             |                    |                    |
| I. Current income taxes                                   | 6,112,087          | 7,784,245          |
| II. Lease liabilities                                     | 949,150            | 1,000,418          |
| III. Trade payables                                       | 9,553,623          | 11,877,408         |
| IV. Contract liabilities                                  | 864,144            | 849,826            |
| V. Other financial liabilities                            | 1,227,173          | 2,033,361          |
| VI. Other non-financial liabilities                       | 754,190            | 589,735            |
| VII. Liabilities directly related to assets held for sale | -                  | 124,897            |
| <b>Total current liabilities</b>                          | <b>19,460,367</b>  | <b>24,259,890</b>  |
| <b>Total equity and liabilities</b>                       | <b>108,410,870</b> | <b>117,181,245</b> |

There may be differences in the totals due to commercial rounding.



**Consolidated statement of comprehensive income**

for the first quarter of 2023 and for the first three months of 2022 (unaudited)

| EUR  | 1/1–03/31/2022        | 1/1–03/31/2023        |
|--|-----------------------|-----------------------|
| 1. Sales   | 20,209,865            | 28,576,243            |
| 2. Other operating income  | 44,045                | 6,474,026             |
| 3. Other own work capitalized  | 132,588               | 130,613               |
| <b>4. Total operating performance</b>                                    | <b>20,386,498</b>     | <b>35,180,882</b>     |
| 5. Cost of goods and services  |                       |                       |
| Cost of purchased services   | -12,748,083           | -20,428,558           |
| 6. Personnel expenses  |                       |                       |
| 6.1 Wages and salaries   | -2,786,623            | -3,895,665            |
| 6.2 Social security contributions and expenses for pensions and benefits | -468,009              | -507,938              |
| 7. Scheduled amortization and depreciation                               | -1,487,124            | -1,271,482            |
| thereof from amortization of right-of-use from leases                    | -237,167              | -243,379              |
| 8. Other operating expenses  | -2,172,737            | -3,047,191            |
| <b>9. Operating result (EBIT)</b>  | <b>723,922</b>        | <b>6,030,048</b>      |
| 10. Financial income   | 742                   | 354,256               |
| 11. Financial expenses   | -71,306               | -49,727               |
| thereof from interest expense from lease liabilities                     | -44,747               | -41,675               |
| 12. Other financial expenses / income                                    | 95                    | 0                     |
| 13. Earnings from financial assets accounted for using the equity method | 49,366                | 80,006                |
| <b>14. Financing result</b>  | <b>-21,103</b>        | <b>384,535</b>        |
| <b>15. Profit from ordinary business activities before income taxes</b>  | <b>702,818</b>        | <b>6,414,583</b>      |
| 16. Taxes on income and profit   | -162,568              | -1,982,039            |
| <b>17.1 Earnings after taxes from continued operations</b>               | <b>540,250</b>        | <b>4,432,543</b>      |
| 17.2 Earnings after taxes from discontinued operations                   | 1,486,966             | 89,178                |
| <b>18. Surplus (= Group comprehensive income)</b>                        | <b>2,027,216</b>      | <b>4,521,722</b>      |
| 19. Allocation of the surplus to the                                     |                       |                       |
| <b>19.1 Owners of parent company (Consolidated net income)</b>           | <b>1,284,853</b>      | <b>4,521,722</b>      |
| 19.2 Minority interests  | 742,363               | -                     |
| <b>euros</b>   | <b>1/1–03/31/2022</b> | <b>1/1–03/31/2023</b> |
| Basic earnings per share   | 0.37                  | 1.29                  |
| Diluted earnings per share   | 0.33                  | 1.17                  |

In the absence of relevant circumstances, "Other comprehensive income" is not presented.

There may be differences in the totals due to commercial rounding.

Prior-year figures have been adjusted.

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## Legal Notice

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## Disclaimer

### Disclaimer:

This report (especially the “Outlook” chapter) contains forward-looking statements that reflect the current views of ecotel management with regard to future events. They are generally identified by the words “expect”, “assume”, “assume”, “intend”, “estimate”, “aim”, “target”, “plan”, “will”, “aspire”, “outlook” and comparable expressions and generally include information related to expectations or targets for revenue, EBITDA or other performance measures. Forward-looking statements are based on current plans, estimates and expectations. Therefore, they must be viewed with caution. Such statements are subject to risks and uncertainties, most of which are difficult to assess and which are generally beyond the control of ecotel.

Other potential factors that could materially affect the development of costs and revenues include changes in interest rates, regulatory requirements, competition that is more intense than expected, changes in technology, litigation and regulatory developments. Should these or other risks and uncertainties materialize, or should the assumptions on which the statements are based turn out to be incorrect, the actual results of ecotel may deviate significantly from those expressed or implied in these statements.

ecotel cannot guarantee that expectations or goals will be achieved. Notwithstanding existing obligations under capital market law, ecotel rejects any responsibility for updating the forward-looking statements by taking into account new information or future events or other matters.

In addition to the key figures prepared according to IFRS, ecotel presents pro forma key figures, e.g. gross profit, EBITDA, EBITDA margin, free cash flow as well as gross and net debt, which are not part of accounting regulations. These key figures are supplementary, but should not be seen as a substitute for disclosures prepared in accordance with IFRS. Pro forma figures are not subject to IFRS or other generally applicable accounting regulations. Other companies may have different definitions of these terms.