

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.

Q2

Profit and Loss Statement		1 st Half of 2022	1 st Half of 2023	2 nd Quarter 2022	2 nd Quarter 2023
Sales from continued operations	in mil. euros	44.8	51.6	24.6	23.0
ecotel business customers	in mil. euros	22.7	22.7	11.4	11.3
ecotel Wholesale	in mil. euros	22.1	28.9	13.2	11.7
Gross profit from continued operations	in mil. euros	15.1	16.2	7.6	8.0
ecotel business customers	in mil. euros	14.5	15.3	7.4	7.6
ecotel Wholesale	in mil. euros	0.6	0.9	0.3	0.5
EBITDA ¹	in mil. euros	19.5	9.3	17.3	2.0
Operating EBITDA ²	in mil. euros	4.6	5.3	2.4	2.0
ecotel business customers	in mil. euros	4.3	4.8	2.2	1.7
ecotel Wholesale	in mil. euros	0.3	0.5	0.2	0.3
Operating result (EBIT) from continued operations	in mil. euros	16.6	6.7	15.9	0.7
Consolidated net income	in mil. euros	13.8	6.7	12.5	2.2
<i>thereof from discontinued operations</i>	in mil. euros	3.0	1.8	1.5	1.8
Earnings per share ³	in euros	3.94	1.91	3.57	0.62

Cash flow		1 st Half of 2022	1 st Half of 2023
Cash and cash equivalents as of 01/01	in mil. euros	12.6	66.9
Cash flow from operating activities	in mil. euros	21.4	7.9
Cash flow from investing activities	in mil. euros	-2.5	-1.2
Cash flow from financing activities	in mil. euros	-5.7	-66.6
Cash and cash equivalents as of 06/30.	in mil. euros	25.8	7.0
Free Cash flow⁴	in mil. euros	18.9	6.7

Balance sheet		1 st Half of 2022	1 st Half of 2023
Balance sheet total	in mil. euros	75.3	49.8
Equity	in mil. euros	40.6	22.9
in % of balance sheet total		53.9%	46.1%
Net financial assets ⁵	in mil. euros	23.9	7.0

Further key figures		1 st Half of 2022	1 st Half of 2023
Number of shares as of 06/30. (outstanding shares)	Quantity	3,510,000	3,510,000
Employees as of 06/30. ⁶	Quantity	199	207
Personnel expenses ⁷	in mil. euros	6.7	8.0

There may be differences in the totals due to commercial rounding
¹ Earnings before scheduled and unscheduled impairments, financial result and income taxes

² Definition - see the Consolidated Management Report in the 2022 annual report on page 52

³ Basic

⁴ Free Cash flow = Cash flow from operating activities + cash flow from investing activities

⁵ Cash and cash equivalents

⁶ Without minority companies (mvneco) in 2022 without easybell and nacamar

⁷ 2022 without easybell and nacamar personnel expenditures / 2023 incl. special bonuses totaling 0.9 mil. euros

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Dear Shareholders,

The first half of 2023 proceeded positively as planned. The integration of the nacamar segment into Uplink Digital GmbH and the dividend payment totaling 66.1 mil. euros approved at the Annual General Meeting on April 21, 2023 were successfully executed. The groundwork for the “cloud” and “fiber” growth strategies was effectively laid, and investments were carried out as scheduled. Especially noteworthy, expansion of sales activities and the establishment of sales resources were achieved in the first half of 2023. At the end of July 2023, a new digital order line was successfully added as a further distribution channel. These measures will contribute to further growth in the second half of the year. Additionally, during the first half of the year, further rights of use to internet resources totaling 5.4 mil. euros were transferred, including 4 mil. euros in unscheduled transfers.

The Group’s revenue increased by 6.8 mil. euros to 51.6 mil. euros. The “ecotel Wholesale” segment contributed 28.9 mil. euros to this growth (previous year: 22.1 mil. euros) to this growth; revenue in the “ecotel Business Customers” segment in the first half year of 2023 was as planned at 22.7 mil. euros (previous year: 22.7 mil. euros). The growth initiatives and gradual implementation of new major contracts acquired since the beginning of the year will lead to increased revenues in the “ecotel Business Customers” segment in the coming quarters. In the “fiber” segment, 250 high-revenue and high-margin leased lines, mainly fiber optic connections, were put into operation during the first half of the year. In the “cloud” segment, the so-called seats doubled, and 2,400 voice channels were activated.

In both segments, the gross profit was further increased. with an overall growth of over 7% (1.1 mil. euros), amounting to 16.2 mil. euros (previous year: 15.1 mil. euros). Of this, the “ecotel Business Customers” segment generated 15.3 mil. euros (previous year: 14.5 mil. euros), and the “ecotel Wholesale” segment generated 0.9 mil. euros (previous year: 0.6 mil. euros).

Despite the growth investments, which are reflected in increased personnel and other operational expenses, the operating EBITDA for the first half of 2023 increased significantly to 5.3 mil. euros (previous year: 4.6 mil. euros). Both segments contributed to this growth: “ecotel Business Customers” with 4.8 mil. euros (previous year: 4.3 mil. euros) and “ecotel Wholesale” with 0.5 mil. euros (previous year: 0.3 mil. euros). Meanwhile, the unadjusted EBITDA even reached 9.3 mil. euros.

Taking into consideration the further reduced amortization and depreciation (2.5 mil. euros; previous year: 2.9 mil. euros), the financial result (0.4 mil. euros; previous year: – 0.1 mil. euros), taxes (– 2.2 mil. euros; previous year: – 4.2 mil. euros), and the result from discontinued business segments due to the deconsolidation and Q1 results of the nacamar segment (1.8 mil. euros), the first half of 2023 concluded with a consolidated net income of 6.7 mil. euros (previous year: 13.8 mil. euros). This corresponds to per-share earnings of 1.91 euros (previous year: 3.94 euros).

Even after the substantial dividend payout this year, ecotel remains debt-free and reports a net financial assets of 7.0 mil. euros as of 06/30/2023 (previous year: 23.9 mil. euros). The equity ratio, after dividend distribution, slightly decreased to 46.1% (previous year: 53.9%). Management continues to uphold the forecast for the 2023 financial year, as outlined in the Forecast Report included in the 2022 Annual Report.

Düsseldorf, August 2023



Markus Hendrich
Chairman of the Board



Achim Theis
Board of Directors

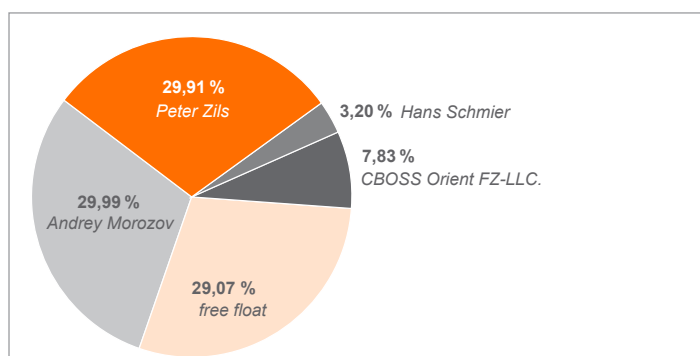
The ecotel share at a glance

The ecotel share started 2023 at 30.80 euros. In the first half of 2023, ecotel shares up to the Annual General Meeting had a mainly positive and clear development with the development of DAX and TecDAX. Following the Annual General Meeting and the distribution of dividends, there occurred an expected dividend reduction and, since then, slight lateral fluctuations. The share closed the first half year at 21.70 euros with 3.51 mil. euros shares outstanding, resulting in a market capitalization of 76.2 mil. euros (06/30/2022: 107.1 mil. euros). The average trading volume in the first three months was 8,463 shares (first half of 2022: 3.973 shares).

Shareholder structure

As of 06/30/2023, 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% is 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 ownership (06/30/2023) in percent

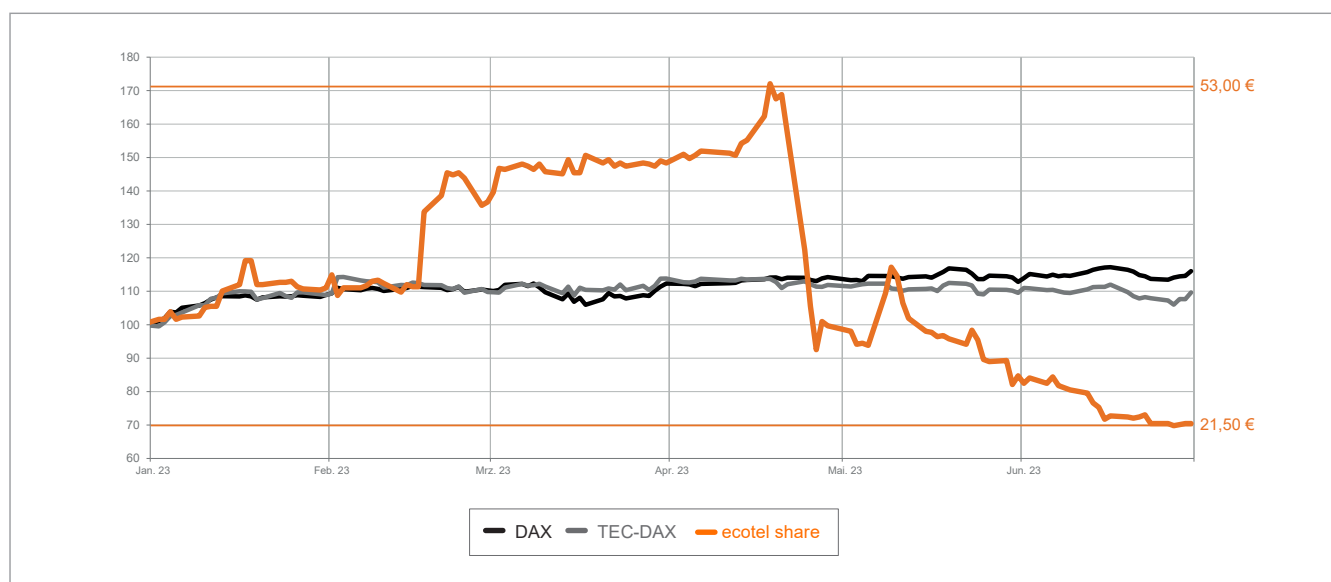


Key figures Ø 2023

WKN	585434
ISIN	DE0005854343
Symbol	E4C
Market segment since 08/08/2007	Prime Standard
Index membership	CDAX, Prime All Share Technology All Share
Category	Shares
Date of initial listing	03/29/2006
Number of shares as of 06/30/2023	3,510,000
Average daily volume 2023	8,463
2023 historical high (euros)	53.00
2023 historical low (euros)	21.50
Market capitalization as of 06/30/2023 (mil. euros)*	76.2
Designated Sponsor	ICF BANK AG

* Based on the closing price on 6/30/2023 from 21.70 euros per share with 3,510,000 outstanding shares

Stock performance of ecotel shares in 2023 in percent



Earnings situation

In the first half year of 2023, the Group achieved **revenues** of 51.6 mil. euros (previous year: 44.8 mil. euros) and **gross profit** of 16.2 mil. euros (previous year: 15.1 mil. euros).

The first half year of 2023 was significantly impacted by two one-off effects:

The first of these was the **integration of the nacamar segment** into Uplink Digital GmbH on April 04, 2023. In the course of this transaction, nacamar and Raute Musik were brought under Uplink's roof. Following the merger, ecotel held an approximate 25% participation in the new Uplink Digital GmbH as well as a 1.3 mil. euros cash settlement. This pooling of business activities, customer relationships and technical capacities offers an outstanding opportunity to occupy the German audio market in a more efficient and comprehensive way. As a result of this merger, ecotel communication ag gave up control of nacamar GmbH. The nacamar segment will no longer appear in the consolidated financial statements of ecotel communication ag in the future. This transaction led to deconsolidation earnings of 1.7 mil. euros that is accounted for against the earnings from business areas that are not being continued. The earnings from business areas that are not being continued, totaling 1.8 mil. euros, contains the earnings of the nacamar segment from January 1 until the moment of deconsolidation totaling 0.1 mil. euros. The previous year's periods were correspondingly adjusted.

In the other effect, ecotel sold additional rights of use to internet resources in February 2023. Consequently, following deduction of transaction costs, **one-time proceeds** amounting to 5.4 mil. euros, approximately 4.0 mil. euros more than projected, were achieved. These one-time proceeds are included in the remaining operational earnings, thus having a corresponding impact on the performance indicators, EBITDA, EBIT, consolidated net income and per-share net income.

According to the definition, unanticipated earnings of 4.0 mil. euros were eliminated from the operating EBITDA.

In the first half year, the Group grew the **operating EBITDA** by 0.7 mil. euros to 5.3 mil. euros.

The **ecotel business customer segment** development according to plan in the first half year of 2023, with revenues of 22.7 mil. euros (previous year: 22.7 mil. euros). Growth in the new product areas provided compensation for the loss of a major customer at the start of 2023. Implementation of project orders placed in the previous year was delayed but will lead to revenue growth in the coming quarters, especially in the strategic "fiber" growth field.

The marketing of products in the new strategic "cloud" growth field is accelerating. At the end of July 2023, an online shop was provided to give customers an opportunity to select and order products over the website with fewer clicks, making it possible for the new website to generate online leads.

Despite consistent sales in this segment, gross profit grew by approximately 6% to 15.3 mil. euros (previous year: 14.5 mil. euros).

As stated in the March 2023 forecast, in the first half year, ecotel already made substantial use of the aforementioned scheduled earnings from the sale of additional Internet resources in the amount of 1.4 mil. euros to invest in systems and processes, especially in sales and sales support resources, as well as in forging new sales paths.

It was nevertheless possible for the operating EBITDA to grow by 0.5 mil. euros in the first half year of 2023 to 4.8 mil. euros in the business customer segment. In the quarterly comparison, the operating EBITDA declined by 0.5 mil. euros to 1.7 mil. euros due to this growth initiative.

Earnings situation

The revenues of the **ecotel Wholesale segment**, which grew by 6.9 mil. euros to reach a total of 28.9 mil. euros, made a substantial contribution to the Group's significant growth in the first half year of 2023. This segment combines cross-network trade with telephone minutes (wholesale) as well as the marketing of data cables for national and international carriers. Trade in telephone minutes is a business that involves particularly high volume but only low margins. Therefore, the clear growth in sales in this segment does not evenly contribute to the Group's situation regarding assets, finances and profits.

As a result, gross profit and EBITDA in this segment grew during the first six months by 0.2 mil. euros to 0.9 mil. euros and 0.5 mil. euros.

Taking into consideration the further reduced amortization and depreciation (2.5 mil. euros; previous year: 2.9 mil. euros), the financial result (0.4 mil. euros; previous year: – 0.1 mil. euros), taxes (– 2.2 mil. euros; previous year: – 4.2 mil. euros) and the earnings from operations discontinued due to deconsolidation as well as those of the nacamar segment (1.8 mil. euros), the first half of 2023 concluded with a consolidated net income of 6.7 mil. euros (previous year: 13.8 mil. euros). This corresponds to per-share earnings of 1.91 euros (previous year: 3.94 euros).

Financial situation

The financial situation in the first half year of 2023 continued to develop as expected.

With an operating cash flow of 7.9 mil. euros and an outflow of funds of 1.2 mil. euros due to investing activity enabled the generation of a **free cash flow** in the amount of 6.7 mil. euros. The groups **financial resources** as of 06/30/2023 totaled 7.0 mil. euros (as of 06/30/2022: 25.8 mil. euros).

The **outflow of funds for investing activity** accounted for 1.2 mil. euros (first half of 2022: 1.7 mil. euros) and was significantly reduced as a consequence. In essence, this change was caused by payment from divestitures from the group of consolidated companies, the merging of nacamar into UPLINK Digital GmbH. Besides this change, funds were used to fund customer equipment and scheduled replacement and expansion investments in technological infrastructure as well as for an independently operating IT system that will enable us to increase process optimization.

The **outflow of funds from financing activity** increased significantly compared to the first half of 2022 by 60.9 mil. euros to 66.9 mil. euros. Payment of dividends of 66.1 mil. euros constitutes the most important effect on this significant change. Counter to this development, there were no financial loan repayments paid out in the first half year, nor were there payments to non-controlling shareholders.

Net asset situation

The **net asset situation** in the first six months of 2023 was strongly impacted by the distribution of the aforementioned dividends.

The **balance sheet total** declined from 58.6 mil. euros to 49.8 mil. euros as of 06/30/2023.

Long-term assets grew by 1.6 mil. euros to 30.9 mil. euros. This particularly involves 0.8 mil. euros for shares in the new company UPLINK and the payments made for intangible assets of another 0.8 mil. euros.

Short-term assets declined substantially by 60.3 mil. euros to 18.8 mil. euros. The main effect amounting to 66.1 mil. euros is the payment of dividends in April. In contrast, there was an input of 5.3 mil. euros resulting from the sale of rights of use to internet resources. There were no substantial changes to receivables and other assets.

Equity capital declined in the first half year of 2023 by 59.3 mil. euros to 22.9 mil. euros. The Group comprehensive income of 6.7 mil. euros is countered by the aforementioned distributions of 66.1 mil. euros.

The **equity ratio** declined by 46.1% as of 06/30/2023.

The Group was able to use its free cash flow to keep **net financial assets** in the first half year of 2023 at a high level of 7.0 mil. euros despite the dividend distribution.

Risk report

The ecotel Group's business is subject to the opportunities and risks of the telecommunications market as well as company-specific risks. To identify, control and monitor these risks, the Group maintains a risk management system and an internal control system.

In this regard, we refer to the risk reports in the 2022 Consolidated Management Report, which remains valid with respect to the current situation concerning risks and opportunities.

Outlook

Taking into account the currently well-known and foreseeable developments, the Board of Directors maintains unchanged the forecast for 2023 that was prepared in the context of the 2022 annual report. The goal remains to achieve sustainable growth through investments in sales resources. Without the aforementioned one-time proceeds, the Board of Directors continues to anticipate an operating EBITDA from continuing operations in the range of 9 mil. euros to 10 mil. euros.

Revenues in the ecotel Wholesale segment are expected to be substantially beyond the forecast range of 48 mil. euros to 52 mil. euros. Due to the low margin in this segment, however, this has only a slight effect on the remaining earnings indicators.

All other values taken into account in the 2023 forecast and mid-range plan are presented in the 2022 annual report on pages 50 to 53 and remain valid.

Events after the end of the reporting period

After the reporting date, no significant occurred with respect to the ecotel Group that had a substantial impact on the group's situation regarding assets, finances and profits.

Consolidated statement of financial position as of June 30, 2023 (unaudited)

EUR	12/31/2022	06/30/2023
Assets		
A. Non-current assets		
I. Intangible assets	14,397,064	14,786,630
II. Property, plant and equipment	5,238,715	5,200,435
III. Rights of use from leases	5,448,588	5,982,639
IV. Capitalized contract costs	2,948,196	2,910,939
V. Investments accounted for using the equity method	1,267,390	1,240,178
VI. Other financial assets	-	817,000
VII. Contract assets	25,681	6,420
VIII. Deferred income tax assets	-	0
Total non-current assets	29,325,634	30,944,241
B. Current assets		
I. Trade receivables	8,436,293	8,242,062
II. Contract assets	43,832	38,520
III. Other financial assets	736,877	512,061
IV. Other non-financial assets	951,035	1,329,693
V. Current income tax assets	1,985,570	1,707,012
VI. Cash and cash equivalents	66,931,929	7,002,095
Total current assets	79,085,236	18,831,443
Total assets	108,410,870	49,775,684

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

Consolidated statement of financial position as of June 30, 2023 (unaudited)

EUR	12/31/2022	06/30/2023
Equity and liabilities		
A. Equity		
I. Issued capital	3,510,000	3,510,000
II. Capital reserve	2,121,065	2,180,062
III. Other reserves	76,609,285	17,245,646
Total equity	82,240,350	22,935,708
B. Non-current liabilities		
I. Deferred income taxes	1,022,664	938,696
II. Lease liabilities	4,947,807	5,688,368
III. Contract liabilities	504,135	388,313
IV. Other financial liabilities	235,547	-
Total non-current liabilities	6,710,153	7,015,377
C. Current liabilities		
I. Current income taxes	6,112,087	7,873,911
II. Lease liabilities	949,150	832,333
III. Trade payables	9,553,623	8,687,687
IV. Contract liabilities	864,144	744,010
V. Other financial liabilities	1,227,173	1,098,273
VI. Other non-financial liabilities	754,190	588,385
Total current liabilities	19,460,367	19,824,599
Total equity and liabilities	108,410,870	49,775,684

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

Consolidated Statements of comprehensive income

for the second quarter 2023 as well as the first half year 2023 (unaudited)

EUR	1 st Half 2022	1 st Half 2023	2 nd Quarter 2022	2 nd Quarter 2023
1. Sales	44,776,423	51,565,493	24,566,559	22,989,250
2. Other operating income	15,340,148	6,532,350	15,296,103	58,324
3. Other own work capitalized	250,346	239,511	117,758	108,898
4. Total operating performance	60,366,917	58,337,354	39,980,420	23,156,472
5. Cost of goods and services	-29,682,641	-35,383,517	-16,934,558	-14,954,959
Cost of purchased services				
6. Personnel expenses	-6,707,488	-7,961,673	-3,452,856	-3,558,070
6.1 Wages and salaries	-5,770,953	-6,920,737	-2,984,330	-3,025,063
6.2 Social security contributions and expenses for pensions and benefits	-936,535	-1,040,945	-468,526	-533,007
7. Scheduled amortization and depreciation	-2,925,208	-2,505,636	-1,438,084	-1,234,154
thereof from amortization of right-of-use from leases	-492,867	-484,094	-255,670	-240,715
8. Other operating expenses	-4,466,875	-5,739,604	-2,294,138	-2,692,413
9. Operating result (EBIT)	16,584,706	6,746,924	15,860,784	716,876
10. Financial income	1,110	435,851	368	81,595
11. Financial expenses	-142,974	-149,479	-71,669	-99,753
thereof from interest expense from lease liabilities	-92,424	-135,834	-47,677	-94,158
12. Other financial expenses / income	244.12	0	149	0
13. Earnings from financial assets accounted for using the equity method	80.879	122,638	31,514	42,633
14. Financing result	-60,741	409,010	-39,638	24,475
15. Profit from ordinary business activities before income tax	16,523,965	7,155,934	15,821,146	741,351
16. Taxes on income and profit	-4,183,248	-2,234,464	-4,020,680	-252,424
17.1 Earnings after taxes from continued operations	12,340,717	4,921,470	11,800,467	488,927
17.2 Earnings after taxes from discontinued operations	2,962,518	1,773,092	1,475,552	1,683,914
18. Surplus (= Group comprehensive income)	15,303,234	6,694,562	13,276,018	2,172,841
19. Allocation of the surplus to the		0		0
19.1 Owners of parent company (Consolidated net income)	13,831,621	6,694,562	12,546,768	2,172,841
19.2 Minority interests	1,471,613	0	729,250	0

EUR	1 st Half 2022	1 st Half 2023	2 nd Quarter 2022	2 nd Quarter 2023
Basic earnings per share	3.94	1.91	3.57	0.62
Diluted earnings per share	3.59	1.73	3.25	0.56

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

Prior-year figures have been adjusted.

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

Prior-year figures have been adjusted.

Consolidated statement of cash flows

for the first half year 2023 (unaudited)

Thousand euros	1 st Half of 2022	1 st Half of 2023 ¹
Earnings from regular business activities before taxes	20,725	9,261
Interest income	139	-295
Depreciation of non current assets	3,643	2,506
Earnings from financial assets valued using the equity method	-81	-123
Expenses for share-based payments with compensation via equity instruments	59	59
Profit (-) / loss (+) from divestitures of portions of capital assets	-11	-1,264
Changes to active working capital	-1,303	-30
Changes to the reserve	0	0
Changes to passive working capital	-256	-2,041
Paid (-) / retained (+) income taxes	-1,501	-204
Net cash from operating activities	21,414	7,870
<i>thereof, from discontinued operations</i>	3,179	-153
Payments for investments in intangible assets and property, plant and equipment	-2,507	-2,886
Payments from disposals from the group of consolidated companies ²	-	1,059
Payment from equity capital repayments from financial assets valued using the equity method	0	150
Interest payments	1	470
Net cash from investing activities	-2,506	-1,207
<i>thereof, from discontinued operations</i>	-842	-1
Dividend Payments	-	-66,058
Payments to non-controlling shareholders	-3,775	0
Payments for redemption of financial loans	-1,208	0
Payments from the repayments of lease liabilities	-620	-394
Interest payments for other financial obligations	-50	-12
Interest payments for leases	-98	-128
Net cash from financing activities	-5,742	-66,592
<i>thereof, from discontinued operations</i>	-190	0
Cash-effective change in cash and cash equivalents	13,166	-59,930
Cash and cash equivalents at the start of the period	12,640	66,932
Cash and cash equivalents at the end of the period	25,806	7,002

¹ Inflows and outflows during the business year include the cash flows from continuing and discontinued operations.

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

Prior-year figures have been adjusted.

Consolidated statement of changes in equity

as of June 30, 2023 (unaudited)

Given as of thousand euros	Earnings reserves						Total ¹
	Issued capital	Capital reserve	Other earnings reserves	Consolidated net income	Equity attributable to shareholders of ecotel communication ag	Proportion of non-controlling shareholders	
As of 01/01/2022	3,150	2,002	13,948	4,783	24,243	4,808	29,051
Transfer of previous year's earnings	0	0	4,783	-4,783	0	0	0
Distributions	0	0	0	0	0	-3,775	-3,775
Changes in equity not recognised in income	0	0	4,783	-4,783	0	-3,775	-3,775
Increase in equity-settled remuneration	0	59	0	0	59	0	59
Consolidated net income - first half year 2022	0	0	0	13,832	13,832	1,472	15,303
Changes in equity recognised in income	0	59	0	13,382	13,891	1,472	15,362
As of 06/30/2022	3,150	2,061	18,731	13,382	38,134	2,505	40,639
As of 01/01/2023	3,510	2,121	9,074	67,535	82,240	0	82,240
Transfer of previous year's earnings	0	0	67,535	-67,535	0	0	0
Distributions	0	0	-66,058	0	-66,058	0	-66,058
Changes in equity not recognised in income	0	0	1,477	-67,535	-66,058	0	-66,058
Increase in equity-settled remuneration	0	59	0	0	59	0	59
Consolidated net income - first half year 2023	0	0	0	6,695	6,695	0	6,695
Changes in equity recognised in income	0	59	0	0	6,754	0	6,754
As of 06/30/2023	3,150	2,180	10,551	6,695	22,935	0	22,935

Differences in the totals may occur due to rounding.

General information

The Consolidated Quarterly Financial Statement of 06/30/2023 by ecotel communication ag as the reporting parent company was prepared in accordance with IAS 34 regulations as well as, through its application of Sec. 315e Par.1 of the German Commercial Code, the directive in force on the reporting date regarding the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and taking into account the interpretations by the International Financial Reporting Standards Interpretation Committee (IFRS IC) – as adopted by the EU. IFRS/IAS that have not yet come into force or whose interpretations were not applied in advance. The comparative figures for the previous period were determined using the same principles.

Segments

The operating segments are consistent with internal report preparations and are defined as follows:

- In the **ecotel Business Customers** segment (the core operating segment), ecotel offers business customers throughout Germany an integrated product portfolio of voice and data services (ICT solutions) from a single provider. In this segment, ecotel also provides products as a supplier for other ICT companies (e. g. resellers).
- The **ecotel Wholesale** segment comprises cross-network trading in telephone minutes (Wholesale Voice) and marketing data lines (Wholesale Data) for national and international carriers.

The following operations are being discontinued:

- In the **nacamar** segment, the company offers its own content delivery network (CDN) streaming services for media companies.

Over the period of the **first half year**, the following segments have been present:

Thousand euros	ecotel Business customers		ecotel Wholesale		Intersegment consolidation		Continuing operations ¹		Discontinued operations	
	2022 1 st Half	2023 1 st Half	2022 1 st Half	2023 1 st Half	2022 1 st Half	2023 1 st Half	2022 1 st Half	2023 1 st Half	2022 1 st Half	2023 1 st Half
Sales	22,725	22,654	22,051	28,911	-	-	44,776	51,565	14,172	298
Intersegment sales			3,223	45	-3,223	-45				
Gross profit	14,485	15,332	609	850	-	-	15,094	16,182	8,851	248
EBITDA	19,212	8,755	298	497	-	-	19,510	9,253	4,925	130
Operating EBITDA	4,300	4,841	298	497	-	-	4,598	5,338	4,925	130
Profit from operations (EBIT)	16,287	6,250	298	497	-	-	16,584	6,747	4,207	130
Financial result							-61	409	6	0
Profit from ordinary business activities							16,524	7,155	4,201	130
Income tax expense							-4,183	-2,234	-1,238	-41
Deconsolidation gains after taxes							-	-	-	1,684
Earnings							12,341	4,921	2,963	1,773

Over the period of the **second quarter**, the following segments have been present:

Thousand euros	ecotel Business customers		ecotel Wholesale		Intersegment consolidation		Continuing operations ¹		Discontinued operations	
	2022 2 nd Quarter	2023 2 nd Quarter	2022 2 nd Quarter	2023 2 nd Quarter	2022 2 nd Quarter	2023 2 nd Quarter	2022 2 nd Quarter	2023 2 nd Quarter	2022 2 nd Quarter	2023 2 nd Quarter
Sales	11,411	11,304	13,156	11,686	-	-	24,567	22,989	7,188	0
Intersegment sales			1,671		-1,671					
Gross profit	7,354	7,571	278	464	-	-	7,632	8,034	4,502	0
EBITDA	17,142	1,666	157	285	-	-	17,299	1,951	2,438	0
Operating EBITDA	2,230	1,684	157	285	-	-	2,387	1,970	2,438	0
Profit from operations (EBIT)	15,704	432	157	285	-	-	15,861	717	2,077	0
Financial result							-40	24	3	0
Profit from ordinary business activities							15,821	741	2,073	0
Income tax expense							-4,021	-252	-598	0
Deconsolidation gains after taxes							-	-	-	1,684
Earnings							11,800	489	1,476	1,684

¹ Includes income from the transfer of right-of-use assets to online resources

Taxes on income and profit

The income taxes identified in the profit and loss statement are as follows:

Figures in thousand euros	2022 1 st Half	2023 1 st Half	2022 2 nd Quarter	2023 2 nd Quarter
Taxes on income and profit - effective	-3,367	-2,271	-3,367	-251
Taxes on income and profit - deferred	-817	37	-654	-2
Taxes on income and profit	-4,184	-2,234	-4,021	-253

Earnings per share

In accordance with IAS 33, the undiluted per-share earnings is defined as the quotient of the attributable consolidated net income for the year for existing ecotel communication ag shareholders divided by the weighted average quantity of the bearer shares in circulation during the reporting period.

Dilution of the earnings per share may occur if the average number of shares is increased by including the issue of potential shares from options and convertible financial instruments. Since July 2020 there has been a stock option plan for members of the Management Board and selected employees. In the context of the stock option plan, up to 351,000 options can be issued.

The stock option plan stipulates a lock-up period of four years from the respective grant date. In this way, there has been a per-share dilution as of 06/30/2023 such that the basic and diluted earnings do not conform to each other.

	2022 1 st Half	2023 1 st Half	2022 2 nd Quarter	2023 2 nd Quarter
Attributable consolidated profit of the year (in euros)	13,831,621	6,694,562	12,546,768	2,172,841
Weighted average number of shares	3,510,000	3,510,000	3,510,000	3,510,000
Basic earnings per share (in euros)	3.94	1.91	3.57	0.62
Diluted earnings per share (in euros)	3.59	1.73	3.25	0.56

Other information

In the first half year of 2023, no key transactions were conducted with related persons.

Düsseldorf, August 09, 2023

Board of Directors

Markus Hendrich

Achim Theis

Guarantee by the legal representatives

To the best of our knowledge, we offer the assurance that, in accordance with the applicable accounting principles, the Consolidated Quarterly Financial Statement provides a picture of the Group's situation regarding assets, finances and profits corresponding to its true circumstances and that the business trend, including the operating result and the Group's situation, is presented in the Interim Consolidated Management Report in such a way as to convey a picture that corresponds to its true circumstances and describes the essential opportunities and risks associated with the Group's expected development.

Düsseldorf, August 09, 2023

ecotel communication ag

Board of Directors

Markus Hendrich

Achim Theis

Financial calendar

November 7, 2023 Publication of quarterly communication for Q3 / 2023

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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, operational EBITDA, EBITDA margin, free cash flow as well as gross and net financial wealth 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.