

QUARTERLY
20 **22**
STATEMENT Q3

Profit and loss account (IFRS)		9 months 2021 (IFRS)	9 months 2022 (IFRS)	3 rd quarter 2021 (IFRS)	3 rd quarter 2022 (IFRS)
Revenue from continued operations	in million euros	47.4	69.8	18.1	24.5
ecotel Business Solutions	in million euros	34.5	34.1	11.5	11.4
ecotel Wholesale	in million euros	11.0	34.9	6.0	12.8
nacamar	in million euros	1.8	0.9	0.6	0.3
Gross profit from continued operations	in million euros	22.5	23.2	7.7	7.7
ecotel Business Solutions	in million euros	20.5	21.5	7.0	7.0
ecotel Wholesale	in million euros	0.8	1.0	0.3	0.4
nacamar	in million euros	1.2	0.7	0.4	0.3
EBITDA ¹ from continued operations	in million euros	6.8	21.9	2.6	2.3
EBITDA (without one-off effect) ² from continued operations	in million euros	6.8	7.0	2.6	2.3
ecotel Business Solutions	in million euros	5.9	21.3	2.3	2.1
ecotel Business Solutions (without one-off effect)	in million euros	5.9	6.4	2.3	2.1
ecotel Wholesale	in million euros	0.4	0.5	0.1	0.2
nacamar	in million euros	0.5	0.2	0.2	0.1
Operating profit (EBIT) from continued operations	in million euros	2.0	17.5	1.0	1.0
Consolidated profit ³	in million euros	3.2	15.3	1.4	1.5
thereof from discontinued operations (easybell segment)	in million euros	1.8	2.3	0.7	0.8
Earnings per share ⁴	in €	0.91	4.36	0.39	0.42
Earnings per share (without one-off effect)	in €	0.91	1.24	0.39	0.42

Other key figures		9 months 2021	9 months 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	11.3	26.4
Cash flow from investment activities	in million euros	-3.6	-4.2
Cash flow from financing activities	in million euros	-4.7	-15.9
Financial resources as of 9/30	in million euros	10.7	18.9
thereof from discontinued operations (easybell segment)	in million euros	6.9	7.3
Free cash flow ⁵	in million euros	7.7	22.1
thereof from discontinued operations (easybell segment)	in million euros	4.9	4.5
Balance sheet total	in million euros	57.3	66.0
Equity	in million euros	26.7	35.0
in % of the balance sheet total		46.7%	53.0%
Net financial assets ⁶	in million euros	7.0	18.9
Number of shares as of 9/30 (outstanding shares)	Number	3,510,000	3,510,000
Employees as of 9/30 ⁷	Number	279	284
Personnel expenses	in million euros	-13.1	-14.2

Differences in the totals can occur due to commercial rounding

¹ Earnings before interest, taxes, depreciation and amortization

² Adjusted by the one-off effect from the transfer of usage rights for Internet resources totaling € 14.9 million (€ 11.0 million after taxes).

³ Corresponds to the consolidated profit after deduction of minority interests.

⁴ Both undiluted and diluted.

⁵ Free cash flow = cash flow from ongoing business activities + cash flow from investment activities.

⁶ Financial resources minus loans payable.

⁷ Without minority companies (mvneco)

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Dear Shareholders,

On October 25, 2022 we concluded a contract for the sale of our 50.9% holding in easybell GmbH. After deduction of transaction fees, the revenue for the shares held by ecotel ag is expected to total between € 55.5 and 56.5 million. This additional financial freedom will now allow ecotel to achieve profitable growth, while placing the main emphasis on the two key growth drivers in the German telecommunications market of the coming years: cloud telephony («cloud») and broadband services («fiber») for business customers. As of September 30, 2022, the requirements of IFRS 5 “Non-current assets held for sale and discontinued operations” for the operative segment easybell (“discontinued operation”) were fulfilled. The statement of comprehensive income for the first nine months of financial year 2022 and the comparison periods of previous years therefore was based on a different accounting policy in accordance with IFRS regulations.

Consolidated revenue from continued operations increased by € 22.4 million to € 69.8 million in the first nine months of 2022. The surplus revenue results primarily from growth in the »ecotel Wholesale« segment. Consolidated gross profit grew by € 0.7 million to € 23.2 million in the reporting period. Consolidated EBITDA from continued operations increased by € 15.1 million to € 21.9 million in the first nine months of 2022. This figure includes the one-off effect from the transfer of usage rights for Internet resources totaling € 14.9 million. Adjusted to allow for the one-off effect, EBITDA increased by € 0.2 million to € 7.0 million. The result from continued operations and earnings of the easybell Group (discontinued operation) is consolidated profit totaling € 15.3 million (prev. year: € 3.2 million) and earnings per share of € 4.36 (prev. year: € 0.91). Without taking into account the one-off effect – € 14.9 million before taxes or € 11 million after taxes – earnings per share increased to € 1.24 (prev. year: € 0.91) in the first nine months of financial year 2022. As of September 30, 2022, the Group has repaid all financial loans from credit institutes. The Group is therefore one hundred percent equity financed.

The continuing conflict 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 so far. As a result of product demand, our customers’ solvency and the performance of our upstream suppliers, there have been no significant restrictions in our business operations. However, energy costs have risen substantially at times, especially for operation of the data center infrastructure.

Taking into account the aforementioned change in the accounting policy due to the pending sale of the easybell Group, as well as all known and foreseeable developments in the segments, we have prepared the following forecast: We now expect revenue for financial year 2022 in the »ecotel Business Solutions« segment in a corridor from € 45 to 47 million (previously € 47 to 50 million), in the »Wholesale« segment in a corridor from € 43 to 48 million (previously € 20 to 25 million), and in the »nacamar« segment of about € 1 million (previously € 0.5 to 1.5 million). Consolidated EBITDA, adjusted by the one-off effect, in the future will comprise the »ecotel Business Solutions«, »ecotel Wholesale «and »nacamar« segments, and will be in a corridor of € 8.5 to 10.5 million, in line with the previous forecast. Altogether, we therefore expect reported consolidated EBITDA in a corridor of € 68 to 75 million for financial year 2022.



Markus Hendrich
Chief Executive Officer



Peter Zils
Deputy Chief Executive Officer



Achim Theis
Management Board

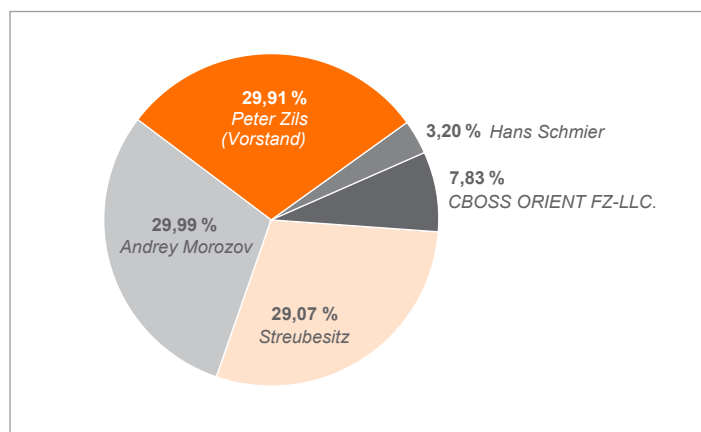
Overview of the ecotel share

The ecotel share started the year 2022 at a high of € 38.60. During the course of the first three quarters of 2022, the ecotel share – as well as the DAX40 and TecDAX – first showed a downward, then sideways tendency, and since September downward again. Due to global uncertainties and the resulting economic and fiscal policy effects, the ecotel share reached its lowest level – € 23.00 – at the beginning of March. The ecotel share closed the first nine months of 2022 at a price of € 24.80. With an unchanged total of 3.51 million outstanding shares, this results in market capitalization of € 87.0 million (September 30, 2021: € 94.1 million). The average trading volume in 2022 thus far totals 3,417 shares (previous year: 6,496 shares)

Shareholder structure

As of September 30, 2022 the share capital of ecotel communication ag remained unchanged at 3,510,000 shares. In the first nine months of 2022 the following significant change in the shareholder structure occurred: PVM Values Media AG / Ferax Capital AG fell below the 3% threshold. This results in the following shareholder structure: Peter Zils (the company's CEO) and Andrey Morozov each continue to hold just under 30 % of the shares. Approximately another 11 % are distributed to the shareholders, as reported to us accordingly (WpHG notifications > 3 %). This results in diversified holdings of about 29 %.

Shareholdings (9/30/2022) in percent

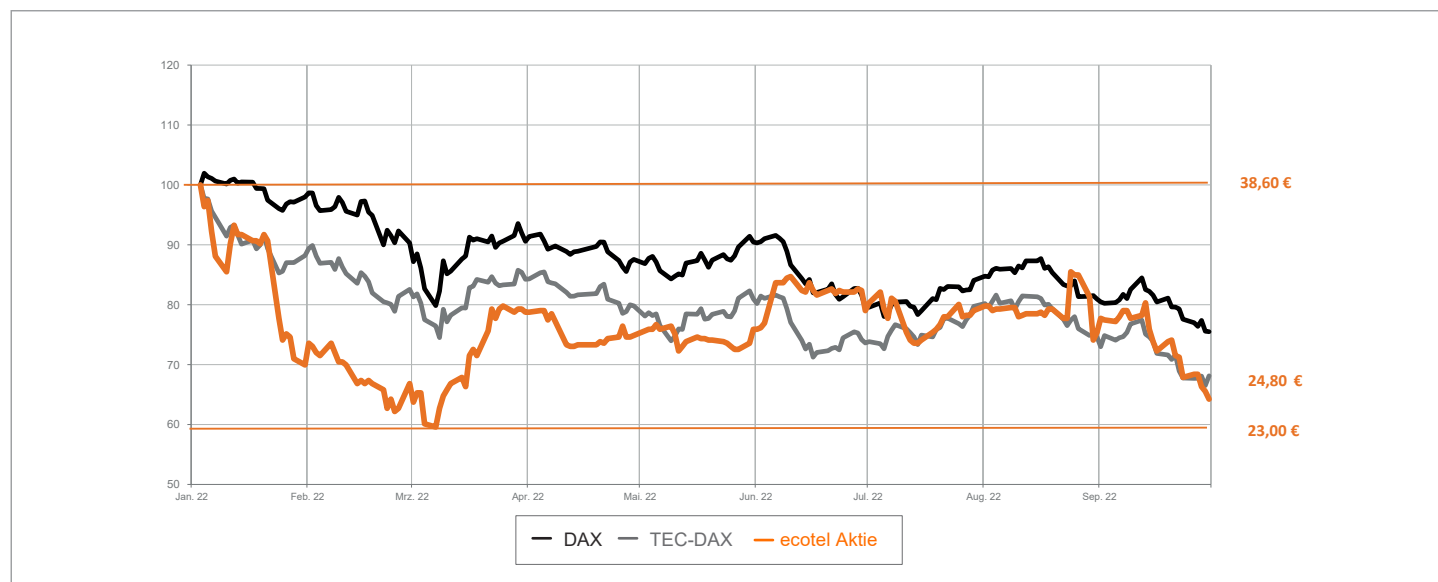


Key figures Ø 2022

WKN	585434
ISIN	DE0005854343
Symbol	E4C
Market segment since 8/8/2007	Prime Standard
Index affiliation	CDAX, Prime All Share
Class	Technology All Share
Date of first listing	Non par value shares
Number of shares as of 9/30/2022	3,510,000
Average daily trading volume 2022	3,417
High share price 2022 (€)	38.60
Low share price 2022 (€)	23.00
Market capitalization as of 9/30/2022 (in million €)*	87.0
Designated sponsor	ICF Bank AG

* Based on the closing price of € 24.80 per share for 3,510,000 outstanding shares as of September 30, 2022

Price trend of the ecotel share in 2022 in percent



Consolidated Balance Sheet as of September 30, 2022 (unaudited)

EUR	12/31/2021	9/30/2022
Assets		
A. Non-current assets		
I. Intangible assets	14,765,225	14,641,347
II. Fixed assets	8,485,378	5,423,805
III. Rights of use from leasing agreements	6,534,486	5,685,843
IV. Capitalized contract costs	3,335,303	2,930,820
V. Financial assets measured at equity	1,124,219	1,225,118
VI. Contract assets	69,513	35,311
VII. Deferred income tax claims	691,210	-
Total non-current assets	35,005,334	29,942,244
B. Current assets		
I. Trade receivables	10,599,902	7,993,642
II. Contract assets	51,269	47,019
III. Other financial assets	358,462	731,634
IV. Other non-financial assets	636,456	749,570
V. Actual income tax claims	1,791,657	1,447,731
VI. Cash and cash equivalents	12,639,795	11,543,605
VII. Assets held for sale	-	13,574,634
Total current assets	26,077,541	36,087,836
Total assets	61,082,875	66,030,080

Differences in the totals can occur due to commercial rounding.

Consolidated Balance Sheet as of September 30, 2022 (unaudited)

EUR	12/31/2021	9/30/2022
Liabilities		
A. Equity capital		
I. Subscribed capital	3,510,000	3,510,000
II. Capital reserves	2,002,095	2,091,078
III. Other provisions	18,730,920	26,134,104
Shares of the owners of the parent company	24,243,015	31,735,182
IV. Shares of other shareholders	4,807,928	3,286,420
Total equity capital	29,050,942	35,021,602
B. Non-current liabilities		
I. Deferred income tax	1,145,791	1,047,881
II. Non-current loans	666,666	-
III. Lease payables	5,703,870	5,170,860
IV. Contract liabilities	1,068,168	586,591
V. Other financial liabilities	675,418	347,245
Total non-current liabilities	9,259,913	7,152,577
C. Current liabilities		
I. Actual income tax	1,979,553	3,928,184
II. Current loans	2,416,667	-
III. Lease payables	1,265,283	964,615
IV. Trade receivables	11,043,348	10,384,770
V. Contract liabilities	1,137,341	878,812
VI. Provisions	3,500	3,500
VII. Other financial liabilities	2,551,169	1,243,434
VIII. Other non-financial liabilities	2,375,159	824,643
IX. Liabilities in direct connection with the sale of held assets	-	5,627,942
Total current liabilities	22,772,020	23,855,901
Total liabilities	61,082,875	66,030,080

Differences in the totals can occur due to commercial rounding.

Consolidated profit statement

for the third quarter 2022 and the first nine months of 2022 (unaudited)

EUR	1 st -3 rd quarter 2021	1 st -3 rd quarter 2022	3 rd quarter 2021	3 rd quarter 2022
1. Sales revenue	47,395,830	69,817,889	18,050,267	24,510,948
2. Other operating income	258,572	15,776,149	171,362	383,821
3. Other company-manufactured items capitalized	451,230	368,501	132,432	118,156
4. Total revenue	48,105,632	85,962,539	18,354,061	25,012,925
5. Cost of materials				
Expenses for services purchased	-24,883,602	-46,614,180	-10,390,209	-16,801,733
6. Personnel expenses				
6.1 Wages and salaries	-8,768,091	-8,998,888	-2,914,452	-2,939,588
6.2 Social contributions and expenses for pensions and benefits	-1,466,680	-1,500,414	-490,753	-508,804
7. Scheduled depreciations	-4,708,074	-4,396,969	-1,587,478	-1,366,752
of which depreciations on rights of use from leases	-754,362	-755,524	-249,042	-248,718
8. Other operating expenses	-6,232,315	-6,959,548	-1,978,059	-2,414,916
9. Operating result (EBIT)	2,046,869	17,492,541	993,111	981,132
10. Financial income	1,078	4,121	705	3,011
11. Interest expenses	-258,359	-206,392	-75,898	-63,347
thereof interest expenses from leasing liabilities	-144,005	-137,284	-47,117	-44,789
12. Other financial expenses and income	-24	702	28	458
13. Earnings from financial assets measured at equity	172,406	100,899	40,048	20,019
14. Financial result	-84,899	-100,670	-20,117	-39,859
15. Earnings from normal business activities before income tax	1,961,970	17,391,870	972,993	941,273
16. Taxes on income and earnings	-580,612	-4,434,302	-272,204	-284,873
17.1 Earnings after taxes from continued operations	1,381,359	12,957,568	700,790	656,400
17.2 Earnings after taxes from discontinued operations	3,593,398	4,596,148	1,328,031	1,594,081
18. Surplus (= consolidated profit)	4,974,756	17,553,716	2,028,820	2,250,482
19. Allocation of the surplus to the				
19.1 Owners of the parent company (consolidated surplus)	3,202,243	15,300,684	1,366,790	1,469,063
19.2 Shares of other shareholders	1,772,513	2,253,032	662,030	781,419

EUR	1 st -3 rd quarter 2021	1 st -3 rd quarter 2022	3 rd quarter 2021	3 rd quarter 2022
Undiluted earnings per share	0.91	4.36	0.39	0.42
Diluted earnings per share	0.91	4.36	0.39	0.42

* As of 9/30/2022, as in the previous year, there was no dilution of the earnings per share. In the first three months of 2021 no share options were exercised (4-year qualifying period).
Due to lack of data, »other comprehensive income« is not reported.

Previous year's figures have been adjusted.

Differences in the totals can occur due to commercial rounding.

Supplementary report

On October 25, 2022, ecotel communication ag (ecotel) concluded a contract for the sale of its 50.9% holding in easybell GmbH with the co-shareholder Dstny Group, which operates throughout Europe. Dstny will therefore acquire all shares in easybell GmbH and its subsidiaries (easybell Group). The transaction is subject to the usual closing conditions and will be concluded before the end of this year.

After deduction of transaction fees, the revenue for the shares held by ecotel communication ag is expected to total between € 55.5 and 55.6 million, which will become due after closing of the transaction. Within the framework of the agreement, ecotel will provide upstream telecommunications services for easybell and Dstny in Germany, to secure revenue totaling about € 6 million per year. This revenue was eliminated for consolidated reporting purposes in the past. After the sale, this elimination will no longer apply.

As of September 30, 2022, the requirements of IFRS 5 “Non-current assets held for sale and discontinued operations” for the operative segment easybell (“discontinued operation”) were therefore fulfilled. The statement of comprehensive income for the first nine months of financial year 2022 and the previous year’s comparison periods therefore was based on a different accounting policy. In the balance sheet, assets and liabilities allocated to the operative segment easybell are reported separately.

This change in accounting will mean that the forecast for financial year 2022 will have to be adjusted as follows:

For financial year 2022 the Management Board now expects revenue in the ecotel Business Solutions segment in a corridor from € 45 to 47 million (previously € 47 to 50 million), in the Wholesale segment in a corridor from € 43 to 48 million (previously € 20 to 25 million), and in the nacamar segment of about € 1 million (previously € 0.5 to 1.5 million).

The Management Board therefore expects reported consolidated EBITDA in a corridor of € 68 to 75 million for financial year 2022.

Consolidated EBITDA in the future will comprise the ecotel Business Solutions, ecotel Wholesale and nacamar segments, and will be in a corridor of € 8.5 to 10.5 million, in line with the previous forecast.

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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.