

Q2 Quarterly Statement

2020

Profit and loss account (IFRS)		1 st half year 2019 (IFRS)	1 st half year 2020 (IFRS)	2 nd quarter 2019 (IFRS)	2 nd quarter 2020 (IFRS)
Revenue	in million €	41.0	42.8	21.5	23.0
ecotel Business Solutions	in million €	23.4	22.8	11.5	11.3
ecotel Wholesale Solutions	in million €	7.8	8.5	4.9	5.8
easybell	in million €	8.8	10.4	4.5	5.4
nacamar	in million €	1.0	1.1	0.5	0.5
Gross profit	in million €	16.3	17.4	8.1	8.8
ecotel Business Solutions	in million €	11.6	11.5	5.8	5.7
ecotel Wholesale Solutions	in million €	0.2	0.2	0.1	0.1
easybell	in million €	3.9	5.0	2.0	2.7
nacamar	in million €	0.5	0.7	0.3	0.3
EBITDA ¹	in million €	4.6	4.9	2.2	2.5
in % of revenue		11.2 %	11.5 %	10.4 %	10.7 %
Operating result (EBIT)	in million €	1.0	1.1	0.4	0.5
Consolidated profit ²	in million €	0.1	0.0	0.0	0.0
Earning per share ³	in €	0.02	0.01	0.00	-0.01

Cash flow		1 st half year 2019 (IFRS)	1 st half year 2020 (IFRS)
Financial resources at beginning of period	in million €	6.1	8.3
Cash flow from ongoing business activities	in million €	4.2	4.1
Cash flow from investment activities	in million €	-3.4	-3.0
Cash flow from financing activities	in million €	-2.7	-2.7
Financial resources as of 30/06	in million €	4.2	6.6
Free cash flow ⁴	in million €	0.8	1.1

Balance sheet (IFRS)		1 st half year 2019 (IFRS)	1 st half year 2020 (IFRS)
Balance sheet total	in million €	52.1	53.4
Equity	in million €	22.3	21.8
in % of the balance sheet total		42.9 %	41.0 %
Net financial assets	in million €	-0.5	0.3

Other key figures		1 st half year 2019	1 st half year 2020
Number of shares as of 30/06 (outstanding shares)	Quantity	3,510,000	3,510,000
Employees as of 30/06 ⁵	Quantity	263	256
Personnel expenses	in million €	7.6	7.8

Differences in the totals can occur due to commercial rounding

¹ Earnings before interest, taxes, depreciation and amortisation

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)

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Dear Shareholders,

In the first half-year 2020 we were able to achieve total revenue of € 42.8 million (previous year: € 41.0 million), gross profit of € 17.4 million (previous year: € 16.3 million), and EBITDA of € 4.9 million (previous year: € 4.6 million). With these figures, even under the difficult conditions resulting from the worldwide Covid-19 pandemic, we remained within the forecast plan for 2020.

Gross profit in the ecotel Business Solutions segment remained nearly stable in the first half-year 2020 at € 11.5 million (previous year: € 11.6 million), while revenue decreased slightly by € 0.6 million to € 22.8 million. This is due essentially to a change in the revenue mix following the All-IP migration. Although the new products show a trend toward lower monthly recurring revenue, the substantially higher added value results in a higher gross profit margin. In this segment alone, the SIP voice channels on the company's own NGN platform increased by 46 % compared to the previous year, to a total of meanwhile 83,000. This brings the goal of 100,000 self-produced voice channels within reach. The associated voice minutes likewise increased by 92 % in the same period. This dynamic development has already allowed migration of 90 % of previous ISDN connections to high-margin SIP products of the ecotel platform, which increased the gross profit margin by more than 50 %.

The easybell segment was able to continue the successful development of past months in the first half-year 2020. Revenue increased by 18 % to € 10.4 million (previous year: € 8.8 million) and gross profit increased by 28 % to € 5.0 million (previous year: € 3.9 million). The nacamar segment likewise developed positively with a slight increase in revenue of € 0.1 million to € 1.1 million (previous year: € 1.0 million) and an increase in gross profit of 26 % or € 0.2 million to € 0.7 million (previous year: € 0.5 million).

Altogether, the group was able to increase EBITDA to € 4.9 million (previous year: € 4.6 million) and EBIT to € 1.1 million (previous year: € 1.0 million) in the first half-year 2020. Free cash flow totalled € 1.1 million in the first half-year, an increase of € 0.3 million compared to the same period of the previous year. Financial loans totalling € 0.9 million were paid back as scheduled and disbursements totalling € 1.0 million were paid to non-controlling shareholders. Nevertheless, the group was again able to report positive net assets totalling € 0.3 million as of 30 June 2020.

In consideration of all currently known opportunities and risks the Management Board reconfirms the forecast for 2020 and expects revenue in a corridor of € 46 to 49 million in the core segment ecotel Business Solutions, with a slight increase in the gross profit margin. Revenue of € 20 million to € 21 million is anticipated for the easybell segment, and revenue of € 1.5 to € 2.5 million is anticipated for the nacamar segment. EBITDA is expected to be within a corridor of € 8.5 to 10.5 million.

Of course, the overall business development will continue to be influenced by the Covid-19 pandemic. The top priority in our daily activities is the safety of the employees, in addition to maintaining all services. While the focus at the beginning of the pandemic was more on maintaining critical customer infrastructures and the company's own business operations, it has been possible in recent weeks to additionally introduce and establish the changed conditions in communication with customers and business partners by means of digital media.

Throughout the remainder of the year ecotel will therefore certify the compatibility of the company's own SIP products with numerous standard telecom systems, in order to enable even faster and more convenient configuration. The focus is on expanding the services to include additional telephony functions, primarily the cloud-based Centrex system and integration in leading UCC and collaboration solutions such as Microsoft Teams. Especially important in this regard are fast and scalable services on the basis of central, software-based solutions, which can eliminate the need for providing capital-intensive, customer-dedicated hardware.

Düsseldorf, August 2020



Peter Zils
Chief Executive Officer



Markus Hendrich
Management Board



Achim Theis
Management Board

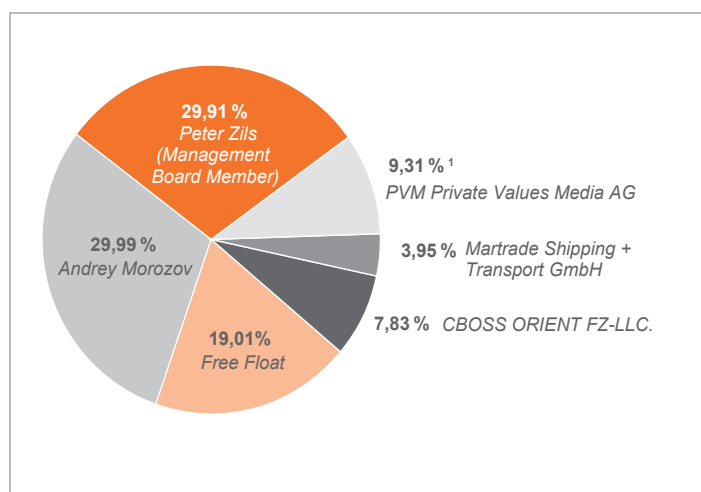
Overview of the ecotel share

The ecotel share started the year 2020 at € 6.60. During the course of the first half year 2020 the price of the share ranged from € 5.50 to € 7.85. Compared to the German share index DAX and also TecDAX the development of the ecotel share was less positive in the first half year 2020. The ecotel share closed the first half year 2020 at a price of € 7.15. With a total of 3.51 million outstanding shares this results in market capitalization of € 25.1 million (30 June 2019: € 27.7 million). The average trading volume in the first half year 2020 totalled 2,125 shares (1st HY 2019: 1,695 shares).

Shareholder structure

As of 30 June 2020 the share capital of ecotel communication ag remained unchanged at 3,510,000 shares. There were no significant changes in the shareholder structure. Peter Zils (CEO of ecotel) and Andrey Morozov each continue to hold just under 30 % of the shares. PVM Private Values Media AG holds 9.31 %, CBOSS Orient FZ-LLC holds 7.83 % and Martrade Shipping + Transport GmbH holds 3.95 %. Hans Schmier announced that his shares dropped below 3 % of the share capital. This results in diversified holdings of 19.01 %.

Shareholdings (30/06/2020) in percent



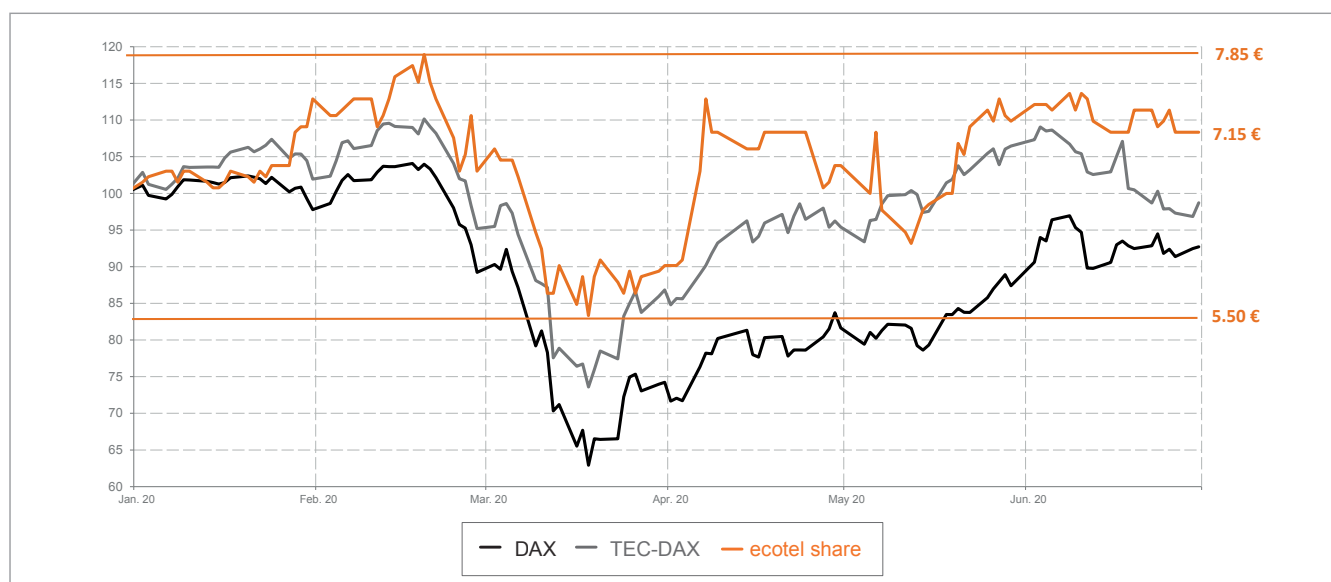
¹ According to the last notice of 07/04/2011 prior to call-in of treasury shares in 2014 (basis: 3,900,000 shares)

Key figures Ø 2020

WKN	585434
ISIN	DE0005854343
Symbol	E4C
Market segment since 08/08/2007	Prime Standard
Index affiliation	CDAX, Prime All Share Technology All Share
Class	Non par value shares
Date of first listing	29/03/2006
Number of shares as of 30/06/2020	3,510,000
Average daily trading volume 2020	3,037
High share price 2020 (€)	7.85
Low share price 2020 (€)	5.50
Market capitalisation as of 30/06/2020 (in million €)*	25.1
Designated sponsor	Lang & Schwarz Broker GmbH

* Based on the closing price of € 7,15 per share for 3,510,000 outstanding shares as of 30 June 2020

Price trend of the ecotel stock in 2020 in percent



Earnings and performance

In the first half-year 2020 the group achieved total revenue of € 42.8 million, gross profit of € 17.4 million, and EBITDA of € 4.9 million. With these figures, even under the difficult conditions resulting from the worldwide CoVID-19 pandemic, ecotel remained within the forecast plan for 2020.

The **ecotel Business Solutions** segment achieved revenue totalling € 22.8 million in the first half year 2020. The decrease of € 0.6 million compared to the first half year 2019 is essentially due to a change in the revenue mix following the All-IP migration. Although the new products show a trend toward lower monthly recurring revenue, the substantially higher added value results in a higher gross profit margin. As a result, gross profit remained nearly stable at € 11.5 million (1st HY 2019: € 11.6 million).

The **easybell** segment continued the successful development of past months in the first half-year 2020. Revenue increased by 18 % to € 10.4 million and gross profit increased by 28 % to € 5.0 million.

The **nacamar** segment likewise grew slightly to € 1.1 million with an increase in gross profit of € 0.2 million to € 0.7 million.

Altogether, **gross profit** for the first half year 2020 totalled € 17.4 million. That is an increase of € 1.1 million or 7 % compared to the first half year 2019. The higher added value in the group's new products is now resulting in increased gross profits.

Personnel expenses totalled € 7.8 million (1st HY 2019: € 7.6 million). This increase of about 3.0 %, with only a slight change in the average number of employees, reflects salary adjustments, as well as extra payments and remuneration for activities performed in connection with the Covid-19 pandemic.

Other operating expenses totalled € 5.1 million (1st HY 2019: € 5.0 million) remained at the previous year's level. Compared to the first half year 2019 **other operating expenses** decreased by € 0.3 million to € 0.2 million. In this respect it must be taken into account that liabilities from commission agreements totalling € 0.4 million were resolved in the previous year.

Therefore, **EBITDA** increased in the first half year 2020 to € 4.9 million (1st HY 2019: € 4.6 million).

Depreciations totalled € 3.7 million (1st HY 2019: € 3.6 million) in the first half year 2020. The increase resulted essentially from the acquisition of hardware components for a customer. Several thousand locations nationwide were equipped with new hardware in this project. Without this customer-specific investment, depreciations would have decreased slightly compared to the previous year.

This is also the reason for the slight increase in the **EBIT** of € 0.1 million to € 1.1 million in the first half year 2020.

The **financial result** remains unchanged at € –0.2 million compared to the previous year.

Taking into account the tax expenses totalling € 0.2 million (1st HY 2019: € 0.3 million), **consolidated profit** totalled € 0.7 million (1st HY 2019: € 0.6 million) and after deducting shares of other shareholders from the surplus, **consolidated profit** totalled € 0.0 million (1st HY 2019: € 0.1 million). This corresponds to earnings per share of € 0.01 (1st HY 2019: € 0.02).

Financial position

The group's financial position developed as expected in the first half year 2020.

With virtually unchanged operative cash flow of € 4.1 million (1st HY 2019: € 4.2 million) and a slight decrease in investments with a total of € 3.0 million (1st HY 2019: € 3.4 million) the **free cash flow** in the first half year totalled € 1.1 million (1st HY 2019: € 0.9 million). As of 30 June 2020 **consolidated financial resources** totalled € 6.6 million (30 June 2019: € 4.2 million).

The **outflow of funds from investment activities** totalled € 3.0 million (1st HY 2019: € 3.4 million). With the ISDN transformation now virtually complete, the number of customer-specific hardware components to be purchased is generally reduced. However, the continued expansion of the NGN platform and investments in improved IT security

and higher quality levels, as well as the in-house operative IT systems, continue to necessitate high investments.

The **outflow of funds from investment activities** remains unchanged compared to the previous year, at € 2.7 million. In addition to planned repayments of financial loans totalling € 0.9 million and leasing liabilities totalling € 0.6 million, distributions to non-majority shareholders totalling € 1.0 million were paid. Interest for financial liabilities and leases totalled € 0.2 million.

Net worth

The groups assets position did not change significantly compared to the end of the year 2019. The **balance sheet total** decreased as of 30 June 2020 by € 3.4 million to € 53.4 million. While the **non-current assets** of € 38.5 million showed a slight increase of € 0.7 million compared with the end of the year, the **current assets** decreased by € 4.1 million. This decrease breaks down as follows: € 1.9 million for other financial assets, € 1.6 million for cash and cash equivalents, and € 1.1 million for trade receivables.

Compared to the previous year, the **net debt** was reduced by € 1.6 million to € 15.0 million. Current liabilities likewise decreased by € 1.6 million to € 16.5 million as of 30 June 2020:

Equity totalled € 21.9 million as of 30 June 2020 (30 July 2019: € 22.2 million). While the share of equity among the owners of the parent company remained unchanged at

€ 18.8 million, the share of equity among other shareholders decreased by € 0.3 million to € 3.1 million.

The decrease in the balance sheet total and the slight decrease in equity resulted in a slight increase in the **equity ratio** from 39.0 % to 41.0 % as of 30 June 2020.

Risk report

The business activities of the ecotel Group are subject to the opportunities and risks of the telecommunications market and the company-specific risks. The Group uses an appropriate risk management system and an internal control system to identify and control these risks.

In this context we refer to the details of the risk report included in the 2019 Group management report, which remains valid with respect to the current risk and opportunity situation.

Outlook

The Management of ecotel communication ag reaffirms the forecast published in the 2019 Annual Report and with a continued slight increase in the gross profit margin, accompanied by increased gross profits, expects for 2020 revenue in a corridor of € 49 to 49 million in the core segment ecotel Business Solutions. Revenue of € 20 million to € 21 million is anticipated for the easybell segment, and revenue of € 1.5 to € 2.5 million is anticipated for the nacamar segment.

EBITDA is expected to be within a corridor of € 8.5 to 10.5 million. For the ecotel Business Solutions and easybell segments, respectively, the Management Board expects EBITDA in a corridor of € 4 to 5 million, and for the nacamar segment in a corridor of € 0.2 to 0.5 million.

Supplementary report

After the balance sheet date, there were no events of appreciable significance for the ecotel Group that substantially affect the financial, assets and earnings situation of the Group, with the exception of the following.

As of 1 July 2020, Markus Hendrich was appointed to the Management Board as Chief Digital Officer (CDO). At the same time the Supervisory Board resolved prematurely as of 1 July 2020 to extend the contracts of Chairman of the Board and CEO Peter Zils, as well as Chief Sales Officer and CCO Achim Theis, until 30 June 2024, so that all three members of the board have identical terms of office.

Consolidated balance sheet as of 30 June 2020 (unaudited)

€	31/12/2019	30/06/2020
Assets		
A. Non-current assets		
I. Intangible assets	13,280,638	13,104,617
II. Fixed assets	11,109,794	12,238,564
III. Rights of use from leasing agreements	8,441,779	7,868,085
IV. Capitalised contract costs	2,812,221	2,864,595
V. Financial assets measured at equity	996,828	1,059,620
VI. Deferred income tax claims	1,158,157	1,333,096
Total non-current assets	37,799,387	38,468,577
B. Current assets		
I. Trade receivables	7,437,263	6,316,746
II. Contract assets	43,558	72,363
III. Other financial assets	2,514,259	629,641
IV. Other non-financial assets	402,990	574,289
V. Actual income tax claims	376,178	694,951
VI. Cash and cash equivalents	8,253,405	6,638,694
Total current assets	19,027,653	14,926,683
Total assets	56,827,040	53,395,260

Differences in the totals can occur due to commercial rounding.

Consolidated balance sheet as of 30 June 2020 (unaudited)

€	31/12/2019	30/06/2020
Liabilities		
A. Equity capital		
I. Subscribed capital	3,510,000	3,510,000
II. Capital reserves	1,833,254	1,833,254
III. Other provisions	13,439,439	13,460,508
Shares of the owners of the parent company	18,782,694	18,803,762
IV. Shares of other shareholders	3,389,254	3,084,755
Total equity capital	22,171,947	21,888,517
B. Non-current liabilities		
I. Latent income tax	986,353	800,443
II. Non-current loans	5,499,992	4,291,667
III. Leasing liabilities	7,395,473	6,895,313
IV. Contract liabilities	1,146,628	1,494,715
V. Other financial liabilities	1,506,744	1,484,998
Total non-current liabilities	16,535,190	14,967,136
C. Current liabilities		
I. Actual income tax	330,675	616,404
II. Current loans	1,750,008	2,083,333
III. Leasing liabilities	1,212,016	1,223,640
IV. Accounts payable	10,487,856	8,770,651
V. Contract liabilities	1,040,199	1,181,996
VI. Provisions	10,695	6,820
VII. Other financial liabilities	2,226,946	2,201,494
VIII. Other non-financial liabilities	1,061,508	455,269
Total current liabilities	18,119,903	16,539,607
Total liabilities	56,827,040	53,395,260

Differences in the totals can occur due to commercial rounding.

Consolidated profit statement

for the second quarter 2020 and for the first half year 2020 (unaudited)

€	1 st half year 2019	1 st half year 2020	2 nd quarter 2019	2 nd quarter 2020
1. Sales revenue	41,031,001	42,760,315	21,476,324	23,025,429
2. Other operating income	573,637	238,647	262,758	135,518
3. Other company-manufactured items capitalised	285,314	111,139	131,932	65,116
4. Total revenue	41,889,952	43,110,101	21,871,015	23,226,062
5. Cost of materials				
5.1 Expenses for services purchased	-24,755,760	-25,315,973	-13,377,302	-14,197,402
6. Personnel expenses				
6.1 Wages and salary	-6,434,979	-6,680,159	-3,205,283	-3,356,529
6.2 Social contributions and expenses for pensions and benefits	-1,132,502	-1,128,864	-578,819	-564,698
7. Scheduled depreciations	-3,568,555	-3,732,416	-1,811,568	-1,916,987
of which depreciations on rights of use from leases	-623,076	-658,801	-311,220	-325,168
8. Other operating expenses	-5,006,116	-5,117,088	-2,501,670	-2,700,860
9. Operating result (EBIT)	992,039	1,135,601	396,373	489,588
10. Financial income	38	0	38	0
11. Interest expenses	-251,480	-254,056	-118,243	-128,582
thereof interest expenses from leasing liabilities	-130,796	-118,408	-64,632	-58,349
12. Other financial expenses	-8,012	-501	-2,352	-345
13. Earnings from financial assets measured at equity	121,435	62,792	66,809	64,853
14. Financial result	-138,020	-191,765	-53,748	-64,074
15. Earnings from normal business activities before income tax	854,019	943,836	342,625	425,514
16. Taxes on income and earnings	-271,410	-246,866	-105,000	-94,270
17. Surplus (= total consolidated profit)	582,609	696,970	237,625	331,245
18. Allocation of the surplus to the				
18.1 Owners of the parent company (consolidated surplus)	76,178	21,069	-31,528	-31,955
18.2 Shares of other shareholders	506,431	675,901	269,153	363,200
€	1 st half year 2019	1 st half year 2020	2 nd quarter 2019	2 nd quarter 2020
Undiluted earnings per share	0.02	0.01	0.00	-0.01
Diluted earnings per share	0.02	0.01	0.00	-0.01

Due to lack of data, »other comprehensive income« is not reported.
Differences in the totals can occur due to commercial rounding.

Consolidated cash flow statement for the first half year 2020 (unaudited)

thousand €	1 st half year 2019	1 st half year 2020
Earnings from normal business activities before income tax	854	944
Net interest income	252	243
Depreciations on non-current assets	3,568	3,741
Earnings from financial assets measured at equity	-121	-63
Profit (-)/loss (+) from retirements of intangible assets	20	0
Change in the active working capital	-57	2,752
Change in the provisions	-3	-4
Change in other passive working capital	246	-2,883
Paid (-)/received (+) income tax	-569	-641
Inflow of funds from ongoing business activities	4,189	4,090
Payments made for investments in intangible assets and property, plant, and equipment	-3,372	-3,032
Outflow of funds from investment activities	-3,372	-3,032
Payments to non-controlling shareholders	-980	-980
Payments for repayment of financial loans	-948	-875
Payments for repayment of leases	-520	-574
Interest payments for other financial liabilities	-121	-136
Interest payment for leases	-131	-108
Cash flow from financing activities	-2,699	-2,672
Cash-effective change in financial resources	-1,882	-1,615
Financial resources at start of period	6,093	8,253
Financial resources at end of period	4,211	6,639

Differences in the totals can occur due to commercial rounding.

Development of consolidated equity as of 30 June 2020 (unaudited)

Amounts in thousand €	Retained earnings						Total ¹
	Subscribed capital	Capital reserves	Other retained earnings	Consolidated profit	Equity capital to be allocated to shareholders of ecotel communication ag	Shares of non-controlling shareholders	
As of 01 January 2019	3,510	1,833	13,611	451	19,405	3,313	22,718
Restoring of previous year's earnings	0	0	451	-451	0	0	0
Distributions	0	0	0	0	0	-980	-980
Change in equity capital not affecting the earnings	0	0	451	-451	0	-980	-980
Consolidated profit for 1 st half year 2019	0	0	0	76	76	506	583
Change in equity capital affecting the earnings	0	0	0	76	76	506	583
As of 30 June 2019	3,510	1,833	14,061	76	19,481	2,839	22,320
As of 01 January 2020	3,510	1,833	13,604	-166	18,783	3,389	22,172
Restoring of previous year's earnings	0	0	-166	166	0	0	0
Distributions	0	0	0	0	0	-980	-980
Change in equity capital not affecting the earnings	0	0	-166	166	0	-980	-980
Consolidated profit for 1 st half year 2020	0	0	0	21	21	676	697
Change in equity capital affecting the earnings	0	0	0	21	21	676	697
As of 30 June 2020	3,510	1,833	13,439	21	18,804	3,085	21,889

Differences in the totals can occur due to commercial rounding.

General information

The consolidated financial statements of ecotel communication ag as the reporting parent company were prepared as of 30 June 2019 in compliance with the regulations of IAS 34 and applying Section 315a of the German Commercial Code in accordance with the rules in force on the closing date of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) taking into account the interpretations of the International Financial Reporting Standards Interpretation Committee (IFRS IC) – as accepted by the EU. IFRS/IAS not yet in force or their interpretations have not been prematurely applied. The comparative figures of the previous period were determined based on the same principles.

Segments

The operative segments are classified in accordance with the internal reporting and can be delimited as follows:

- In the **ecotel Business Solutions** segment (the company's core segment) ecotel offers business customers throughout Germany an integrated product portfolio of voice and data services (IT/telecom solutions) from a single source. In this segment the focus is on business customers with more than 50 employees. These can be customers with only one location, with several locations or large retail chain stores, insurance companies or banks. ecotel has suitable telecommunications solutions for all of these customer groups. As an upstream supplier for other IT/telecom companies (e.g. resellers) ecotel also provides products in this segment.
- The **ecotel Wholesale Solutions** segment comprises the cross-network trading of telephone minutes (wholesale) for national and international carriers. For this purpose ecotel maintains network interconnections with approximately 100 national and international carriers.
- The **easybell** segment comprises the entire business of the easybell Group, consisting of four companies. In this segment easybell markets broadband Internet access and VoIP telephony for private customers, as well as SIP trunking services for smaller enterprises. In addition the easybell group operates a router rental model (www.routermiete.de) and offers inexpensive call-by-call services for domestic and foreign telephone calls.
- In the **nacamar** segment, nacamar GmbH offers streaming services for media enterprises on the basis of the company's own Content Delivery Network (CDN), which is hosted in the ecotel computer centre.

The following segment description applies for the period of the first **half year**:

Thousand €	ecotel Business solutions		ecotel Wholesale Solutions		easybell		nacamar		Consolidation, cross-segment		Group	
	2019 1 st HY	2020 1 st HY	2019 1 st HY	2020 1 st HY	2019 1 st HY	2020 1 st HY	2019 1 st HY	2020 1 st HY	2019 1 st HY	2020 1 st HY	2019 1 st HY	2020 1 st HY
Sales revenue	23,411	22,845	7,827	8,473	8,782	10,374	981	1,088	–		41,031	42,760
Inter-segment revenue	–		1,957	2,714	353	343	–		–2,310	–3,057	0	0
Gross profit	11,670	11,543	152	243	3,913	4,974	541	684	–		16,275	17,444
EBITDA	2,609	2,023	–220	88	2,021	2,522	183	294	–		4,593	4,927
Operating result (EBIT)	–365	–1,094	–220	88	1,489	1,962	89	180	–		992	1,136

The following segment description applies for the period of the **second quarter**:

Thousand €	ecotel Business solutions		ecotel Wholesale Solutions		easybell		nacamar		Consolidation, cross-segment		Group	
	2019 2 nd Q	2020 2 nd Q	2019 2 nd Q	2020 2 nd Q	2019 2 nd Q	2020 2 nd Q	2019 2 nd Q	2020 2 nd Q	2019 2 nd Q	2020 2 nd Q	2019 2 nd Q	2020 2 nd Q
Sales revenue	11,546	11,320	4,931	5,793	4,531	5,369	469	543	–		21,476	23,025
Inter-segment revenue	0	0	1,022	1,544	138	209	–		–1,160	–1,753	0	0
Gross profit	5,753	5,711	–115	21	2,006	2,660	266	338	–		8,099	8,828
EBITDA	1,235	940	–70	21	1,034	1,341	73	154	–		2,227	2,456
Operating result (EBIT)	–302	–678	–115	21	789	1,052	25	96	–		396	490

Consolidated companies and acquisitions

The consolidated companies of the ecotel consolidated financial statements have remained unchanged since 31 December 2019.

Taxes from income and revenue

The income tax reported in the Profit and loss account is comprised of the following:

Amounts in thousand €	2019 1 st half year	2020 1 st half year	2019 2 nd quarter	2020 2 nd quarter
Taxes from income and revenue – effective	–463	–608	–243	–321
Taxes from income and revenue – deferred	192	361	138	227
Taxes from income and revenue	–271	–247	–105	–94

Earnings per share

The undiluted earnings per share are calculated in accordance with IAS 33 as the quotient of the consolidated profit for the year to which the shareholders of ecotel communication ag are entitled and the weighted average number of bearer non par value shares in circulation during the reporting period.

A dilution of the earnings per share occurs if the average number of shares is increased due to the additional issue of potential shares from options and convertible financial instruments. As of 30 June 2019, there were no share options, so that the undiluted and diluted earnings per share are identical.

	2019 1 st half year	2020 1 st half year	2019 2 nd quarter	2020 2 nd quarter
Accrued consolidated profit for the year (in €)	76,178.26	21,069	-31,528.36	-31,955
Weighted average number of shares	3,510,000	3,510,000	3,510,000	3,510,000
Undiluted/diluted earnings per share (in €)	0.02	0.01	0.00	-0.01

The annual general meeting on 3 July 2020 resolved to introduce the stock option scheme. In addition to the board members, stock options will also be distributed to selected employees. Altogether it is therefore possible to grant up to 351,000 subscription rights on a total of up to 351,000 no-par value bearer shares in the company through 2 July 2024 (authorisation period).

Other information

No significant transactions with related parties were conducted in the first half year 2020.

Düsseldorf, 06 August 2020

The Management Board

Peter Zils

Markus Hendrich

Achim Theis

Responsibility statement of the legal representatives

We assure to the best of our knowledge that in accordance with the accounting principles applied, the consolidated interim financial report reflects a true and fair view of the Group's net worth, financial position and earnings and performance, and that the consolidated interim financial report depicts the business trend, including the Group's profit and financial position in a manner corresponding to the actual circumstances, as well as describing the essential opportunities and risks of the expected development of the Group.

Düsseldorf, 6 August 2020

ecotel communication ag

The Management Board

Peter Zils

Markus Hendrich

Achim Theis

Financial calendar

12 November 2020 Publication of Quarterly Report Q3/2020

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Disclaimer

Exclusion of liability:

This report (especially the »Outlook« section) contains forward-looking statements, which reflect the current views of the ecotel Management with respect to future events. They are generally characterised 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 matters.

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.