

Q1 Quarterly Statement

2020

Profit and loss account (IFRS)		1 st quarter 2019 (IFRS)	1 st quarter 2020 (IFRS)
Revenue	in million €	19.6	19.7
ecotel Business Solutions	in million €	11.9	11.5
ecotel Wholesale Solutions	in million €	2.9	2.7
easybell	in million €	4.3	5.0
nacamar	in million €	0.5	0.5
Gross profit	in million €	8.2	8.6
ecotel Business Solutions	in million €	5.9	5.8
ecotel Wholesale Solutions	in million €	0.1	0.1
easybell	in million €	1.9	2.3
nacamar	in million €	0.3	0.3
EBITDA¹	in million €	2.4	2.5
in % of revenue		12.1%	12.5%
Operating result (EBIT)	in million €	0.6	0.6
Consolidated profit ²	in million €	0.1	0.1
Earnings per share ³	in €	0.03	0.02

Cash flow		1 st quarter 2019 (IFRS)	1 st quarter 2020 (IFRS)
Cash and cash equivalents as of 01/01	in million €	6.1	8.3
Cash flow from ongoing business activities	in million €	1.7	0.4
Cash flow from investment activities	in million €	-1.6	-1.6
Cash flow from financing activities	in million €	-0.8	-0.7
Financial resources as of 31/03	in million €	5.4	6.4
Free cash flow⁴	in million €	0.2	-1.2

Balance sheet (IFRS)		1 st quarter 2019 (IFRS)	1 st quarter 2020 (IFRS)
Balance sheet total	in million €	52.4	53.4
Equity	in million €	23.1	22.5
in % of the balance sheet total		44.1%	42.2%
Net financial assets⁵	in million €	0.2	-0.5

Other key figures		1 st quarter 2019 (IFRS)	1 st quarter 2020 (IFRS)
Number of shares as of 31/03 (outstanding shares)	Quantity	3,510,000	3,510,000
Employees as of 31/03 ⁶	Quantity	249	260
Personnel expenses	in million €	3.8	3.9

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)

Differences in the totals can occur due to commercial rounding.

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Dear Shareholders,

The Covid-19 pandemic has been a serious issue also for ecotel thus far in 2020. The top priority in our daily activities is the safety of our employees, in addition to maintaining all services for our customers. As a telecommunications company ecotel plays an important role in maintaining the operations of our customers. We provide extensive services for hospitals, nursing homes and doctors, pharmaceutical wholesalers and chemist's chains, banks and insurance companies, as well as numerous other businesses. We work on a daily basis to ensure that the numerous employees who are currently working from home offices have sufficient and reliable bandwidth, in addition to a secure connection to the company headquarters, to allow them to contribute to the economic performance of the entire country.

In the first quarter 2020 we achieved total revenue of € 19.7 million (previous year: € 19.6 million), an increase in gross profit to € 8.6 million (previous year: € 8.2 million), and an increase in EBITDA to € 2.5 million (previous year: € 2.4 million).

In the first quarter 2020 the ecotel Business Customers segment achieved revenue of € 11.5 million. Compared with the first quarter 2019 that represents a decline of € 0.4 million. Migration of the Telekom-based ISDN services was successfully concluded as of 31 March 2020. Meanwhile more than 80 % of voice minutes are produced via the ecotel platform. The higher value added of the new All-IP product range made it possible to keep gross profit, totalling € 5.8 million, nearly at the previous year's level (€ 5.9 million). The gross profit margin increased by 1 % to 50.7 %.

The easybell segment was able to continue the successful development of past periods at the start of 2020 and achieved an increase in revenue of 16 % to € 5.0 million (previous year: € 4.3 million). At the same time, easybell increased gross profit by 20 % to € 2.3 million (previous year: € 1.9 million).

Altogether, the group was able to increase EBITDA by € 0.1 million to € 2.5 million. This development was influenced both by higher margins and cost optimisations.

Depreciations totalled € 1.5 million (previous year: € 1.4 million). As a result, EBIT remained unchanged at € 0.6 million compared with the first quarter 2019. Due to the temporary impact on revenue, the at equity result decreased from the previous year's figure of € 0.1 million to € 0.0 million in the first quarter 2020. After deducting interest, taxes and the shares of other shareholders, ecotel achieved consolidated profit of € 0.1 million (previous year: € 0.1 million) in the first quarter 2020. This corresponds to earnings per share of € 0.02 (previous year: € 0.03/share).

Free cash flow decreased temporarily in the first three months of the year 2020 to € 1.2 million (previous year: € 0.2 million) and net assets decreased in the first quarter by € 0.7 million to € -0.5 million. However, the repayment of loans and leasing liabilities by the Group totalling € 0.6 million in the first quarter 2020 must be taken into account in this regard.

So far the Covid-19 pandemic has had no significant influence on business developments at ecotel. It has therefore not been necessary thus far to apply for government aid. Planning for the medium- and long-term effects of the pandemic is not possible at present. But we believe the company is well prepared and well situated to cope with the developments of the year 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 Customers, 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.

Düsseldorf, in May 2020



Peter Zils
Chief Executive Officer



Achim Theis
Management Board

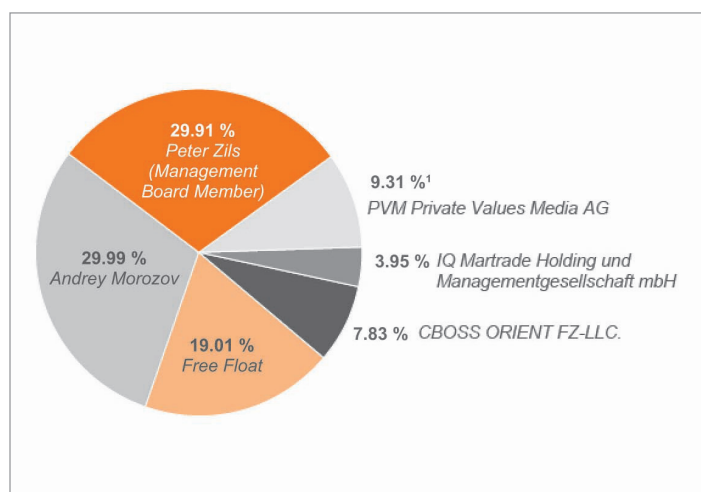
Overview of the ecotel share

The ecotel share started the year 2020 at € 6.20. In the final analysis, all share market activities in the first quarter were essentially impacted by the worldwide Covid-19 pandemic and its effects. This applies both to the important DAX and TecDAX indexes, as well as the ecotel share. As of 31 March 2020 the share closed the first quarter 2020 at € 5.90. Meanwhile, the markets and exchange rates have stabilised somewhat. With a total of 3.51 million outstanding shares this results in market capitalization of € 20.7 million (31 March 2019: € 29.0 million). The average trading volume in the first three months totalled 3,037 shares (Q1 2019: 1,436 shares).

Shareholder structure

As of 31 March 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 hold just under 30 % of the shares. PVM Private Values Media AG holds 9.31 %, CBOSS Orient FZ-LLC holds 7.83 % and IQ Martrade Holding und Managementgesellschaft mbH holds 3.95 %. Hans Schmier announced that his shares dropped below 3 % of the share capital. The diversified holdings totalled approximately 19 %.

Shareholdings (31/03/2020) in percent



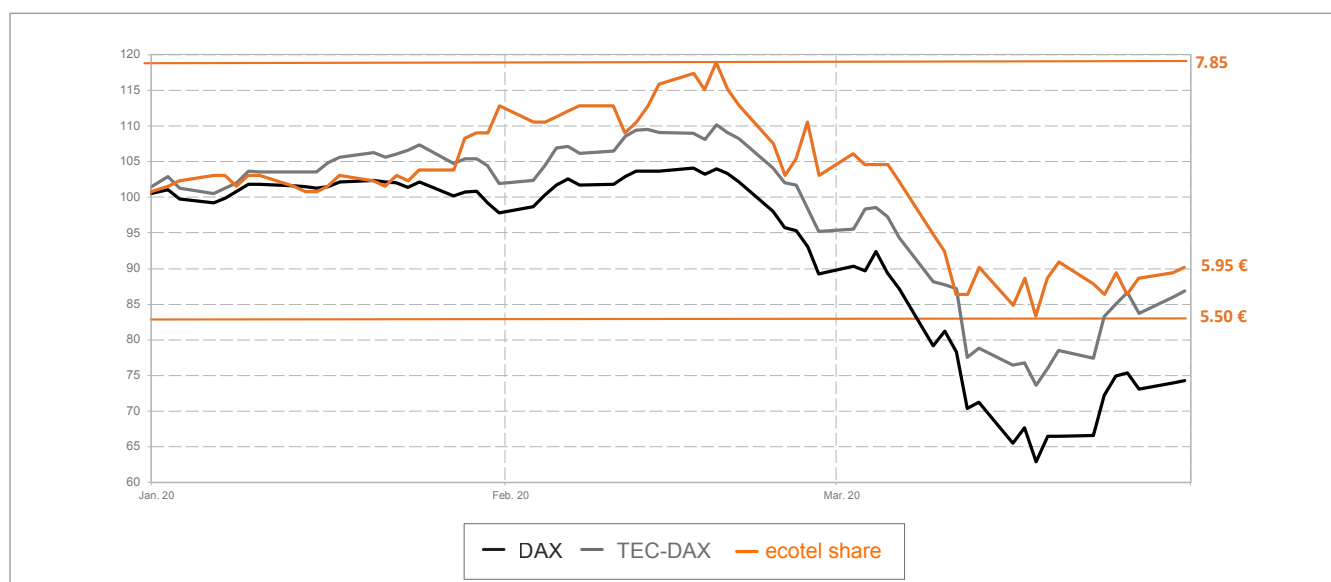
¹ according to the last notice of 07/04/2011 prior to call-in of treasury shares in 2014 (basis: 3,900,000 shares)

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 31/03/2020	3,510,000
Average daily trading volume 2020	3,037
High share price 2020 (€)	9.00
Low share price 2020 (€)	7.25
Market capitalisation as of 31/03/2020 (in million €)*	20.7
Designated sponsor	Lang & Schwarz Broker GmbH

* Based on the closing price of € 5,90 per share for 3,510,000 outstanding shares as of 31 March 2020

Price trend of the ecotel stock in 2020 in percent



Significant developments in the Group in first quarter 2020:

The Covid-19 pandemic has been a serious issue also for ecotel thus far in 2020. The top priority in our daily activities is the safety of our employees, in addition to maintaining all services for our customers. As a telecommunications company ecotel plays an important role in maintaining the operations of our customers. We provide extensive services for hospitals, nursing homes and doctors, pharmaceutical wholesalers and chemist's chains, banks and insurance companies, as well as numerous other businesses. We work on a daily basis to ensure that the numerous employees who are currently working from home offices have sufficient and reliable bandwidth, in addition to a secure connection to the company headquarters, to allow them to contribute to the economic performance of the entire country. So far the Covid-19 pandemic has had no significant influence on the business developments. It has therefore not been necessary thus far to apply for government aid.

The business developments in the first quarter 2020 correspond to our expectations. Revenue in the **ecotel Business Customers segment** totalled € 11.5 million (Q1 2019: € 11.9 million). Gross profit decreased slightly to € 5.8 million, and the gross profit margin increased by 1 % to 50.7 %.

The **easybell segment** experienced growth in the first quarter 2020 of both revenue by € 0.7 million to € 5.0 million, and gross profit by € 0.4 million to € 2.3 million.

The **nacamar** and **Wholesale** segments contributed to the consolidated revenue with € 0.5 million and € 2.7 million (Q1 2019: € 0.5 million and € 2.9 million), respectively.

Consolidated **gross profit** increased by € 0.4 million to € 8.6 million in the first quarter 2020.

EBITDA increased slightly to € 2.5 million in the first quarter (Q1 2019: € 2.4 million). After deducting depreciations, this results in **EBIT** for the first three months of 2020 totalling € 0.6 million; this figure remains unchanged compared with the previous year. After deducting the shares of other shareholders, consolidated profit totals € 0.1 million or € 0.02 per share (Q1 2019: € 0.03 per share).

Due to changes in the working capital relating to the balance sheet date, **free cash flow** in the first quarter 2020 decreased to negative € 1.2 million compared with the first quarter 2019 (Q1 2019: € 0.2 million).

As of 31 March 2020, the **net debt** totalled € 0.5 million (31/03/2019: Net assets: € 0.2 million). Scheduled repayments of loans and leasing liabilities totalling € 0.6 million were carried out in the first quarter.

The **balance sheet total** amounted to € 53.4 million (31/12/2019: € 56.8 million). With **equity capital** of € 22.5 million (31/12/2019: € 22.2 million) the **equity ratio** is 42.2 % (31/12/2019: 39.0 %).

Consolidated balance sheet as of 31 March 2020 (unaudited)

€	31/12/2019	31/03/2020
Assets		
A. Non-current assets		
I. Intangible assets	13,280,638	13,284,316
II. Fixed assets	11,109,794	11,707,894
III. Rights of use from leasing agreements	8,441,749	8,193,253
IV. Capitalised contract costs	2,812,221	2,838,986
V. Financial assets measured at equity	996,828	994,767
VI. Deferred income tax claims	1,158,157	1,177,228
Total non-current assets	37,799,387	38,196,444
B. Current assets		
I. Trade receivables	7,437,263	5,370,220
II. Contract assets	43,558	57,348
III. Other financial assets	2,514,259	2,344,066
IV. Other non-financial assets	402,990	597,265
V. Actual income tax claims	376,178	449,857
VI. Cash and cash equivalents	8,253,405	6,384,065
Total current assets	19,027,653	15,202,821
Total assets	56,827,040	53,399,265

Differences in the totals can occur due to commercial rounding.

Consolidated balance sheet as of 31 March 2020 (unaudited)

€	31/12/2019	31/03/2020
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	13,492,463
Shares of the owners of the parent company	18,782,694	18,835,717
IV. Shares of other shareholders	3,389,254	3,701,955
Total equity capital	22,171,947	22,537,672
B. Non-current liabilities		
I. Latent income tax	986,353	871,547
II. Non-current loans	5,499,992	4,895,825
III. Leasing liabilities	7,395,473	7,206,854
IV. Contract liabilities	1,146,628	1,342,571
V. Other financial liabilities	1,506,744	1,627,661
Total non-current liabilities	16,535,190	15,944,458
C. Current liabilities		
I. Actual income tax	330,675	470,851
II. Current loans	1,750,008	2,016,675
III. Leasing liabilities	1,212,016	1,223,928
IV. Accounts payable	10,487,856	7,056,179
V. Contract liabilities	1,040,199	1,134,562
VI. Provisions	10,695	8,820
VII. Other financial liabilities	2,226,946	2,201,630
VIII. Other non-financial liabilities	1,061,508	804,490
Total current liabilities	18,119,903	14,917,135
Total liabilities	56,827,040	53,399,265

Differences in the totals can occur due to commercial rounding.

Consolidated profit statement

for the first quarter 2020 and for the first three months of 2019 (unaudited)

€	1/1 – 31/03/2019	1/1 – 31/03/2020
1. Sales revenue	19,554,676	19,734,887
2. Other operating income	310,879	103,129
3. Other company-manufactured items capitalised	153,382	46,023
4. Total revenue	20,018,937	19,884,039
5. Cost of materials		
Expenses for services purchased	–11,378,458	–11,118,571
6. Personnel expenses		
6.1 Wages and salaries	–3,229,696	–3,323,631
6.2 Social contributions and expenses for pensions and benefits	–553,683	–564,167
7. Depreciations		
7.1 Depreciations on intangible assets and property, plant and equipment	–1,445,132	–1,481,795
7.2 Depreciations on rights of use from leasing agreements	–311,856	–333,634
8. Other operating expenses	–2,504,446	–2,416,228
9. Operating result (EBIT)	595,666	646,013
10. Interest income	–	–
11. Interest expense		
11.1 Interest expenses for loans payable and other financial liabilities	–67,074	–65,415
11.2 Interest expense for leasing liabilities	–66,164	–60,059
12. Other financial expenses	–5,660	–156
13. Earnings from financial assets measured at equity	54,626	–2,061
14. Financial result	–84,272	–127,691
15. Earnings from normal business activities before income tax	511,394	518,322
16. Taxes on income and earnings	–166,410	–152,597
17. Surplus (= total consolidated profit)	344,984	365,725
18. Allocation of the surplus to the		
18.1 Owners of the parent company (consolidated surplus)	107,706	53,024
18.2 Shares of other shareholders	237,278	312,701
€	1/1 – 31/03/2019	1/1 – 31/03/2020
Undiluted earnings per share	0.03	0.02
Diluted earnings per share	0.03	0.02

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

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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.