

Q1/2024

Quarterly Report



KEY FIGURES AT A GLANCE

INCOME STATEMENT (IFRS)

		Q1 2023	Q1 2024
Sales	EUR million	28.6	28.1
ecotel Business Customers	EUR million	11.4	11.5
ecotel Wholesale	EUR million	17.2	16.6
Gross profit	EUR million	8.1	8.1
ecotel Business Customers	EUR million	7.7	7.6
ecotel Wholesale	EUR million	0.4	0.5
Operating EBITDA ^{1,2}	EUR million	3.4	1.8
ecotel Business Customers	EUR million	3.2	1.4
ecotel Wholesale	EUR million	0.2	0.3
Operating result (EBIT)	EUR million	6.0	0.4
Consolidated net profit	EUR million	4.5	0.3
Number of shares as at 31 March (outstanding shares)	Number	3,510,000	3,510,000
Earnings per share ³	EUR	1.29	0.08

CASH FLOW

		Q1 2023	Q1 2024
Cash and cash equivalents as at 1 January	EUR million	66.9	3.7
Cash flow from operating activities	EUR million	6.8	1.4
Cash flow from investing activities	EUR million	-1.0	-3.0
Cash flow from financing activities	EUR million	-0.2	-0.3
Cash and cash equivalents as at 31 March	EUR million	72.5	1.8
Free cash flow ⁴	EUR million	5.8	-1.6

STATEMENT OF FINANCIAL POSITION (IFRS)

		Q1 2023	Q1 2024
Total assets	EUR million	117.2	48.1
Equity	EUR million	86.8	24.0
in % of total assets	in %	74.1%	49.9%
Net financial assets ⁵	EUR million	72.5	1.7

OTHER KEY FIGURES

		Q1 2023	Q1 2024
Employees as at 31 March	Number	210	214
Staff costs	EUR million	4.4	3.9

Differences in totals may occur due to rounding.

Prior-year figures were restated.

1 Earnings before depreciation, amortisation and impairment losses, net finance costs and income taxes

2 As defined in the Group Management Report on page 46 of the Annual Report 2023

3 Basic

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

5 Loan payables less cash and cash equivalents



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Dear shareholders,

The first quarter of 2024 went to plan. We slightly increased our sales in the ecotel Business Customers segment to EUR 11.5 million (previous year: EUR 11.4 million). The major new orders that were concluded recently are being implemented as planned and are expected to lead to considerably higher sales growth in the ecotel Business Customers segment from the second quarter onwards. As expected, gross profit in this segment declined slightly to EUR 7.6 million in the first quarter of 2024 (previous year: EUR 7.7 million) due to the positive non-recurring effects of EUR 0.3 million in the same period of 2023. Adjusted for these effects, gross profit in the ecotel Business Customers segment increased by EUR 0.2 million.

Sales in the ecotel Wholesale segment declined year-on-year to EUR 16.6 million as forecast (previous year: EUR 17.2 million). Despite the lower level of sales, gross profit rose by EUR 0.1 million to EUR 0.5 million (previous year: EUR 0.4 million) thanks to the growing share of high-margin wholesale data services in the overall sales mix.

Forecast initial investments for the implementation of major new projects had an impact on operating EBITDA, which amounted to EUR 1.8 million in the first quarter (previous year: EUR 3.4 million). In addition to these initial investments, it should be noted that the prior-year figure included income of EUR 1.4 million from the transfer of right-of-use assets to online resources as well as the aforementioned gross profit effect of EUR 0.3 million. Adjusted for these effects, operating EBITDA increased slightly to EUR 1.8 million (previous year, adjusted: EUR 1.7 million). In light of the anticipated sales growth, we expect operating EBITDA to continue to increase as the year continues.

The operating result (EBIT) amounted to EUR 0.4 million in the first quarter, representing a significant year-on-year decrease of EUR 5.6 million. After deducting all associated transaction costs, the sale of right-of-use assets to online resources contributed around EUR 5.4 million to EBIT in the first quarter of the previous year. Adjusted for these non-recurring effects, EBIT in the first quarter of 2024 was therefore in line with the previous year.

After deducting depreciation and amortization, which declined slightly as forecast to EUR 1.1 million (previous year: EUR 1.3 million), and taking account of net finance costs of EUR 0.0 million (previous year: EUR 0.4 million) and taxes of EUR 0.1 million (previous year: EUR -2.0 million), ecotel generated a net profit of EUR 0.3 million in the first quarter (previous year: EUR 4.5 million). This corresponds to earnings per share of EUR 0.08 (previous year: EUR 1.29).

As the year continues, the recently communicated strategic change and expansion of the Management Board will provide further support for the company's growth path with its focus on cloud communication and smart broadband solutions for corporate customers (cloud & fibre).

We are maintaining our forecast for the 2024 financial year.

Düsseldorf, May 2024

Markus Hendrich
Chairman of the Management Board

Achim Theis
Management Board



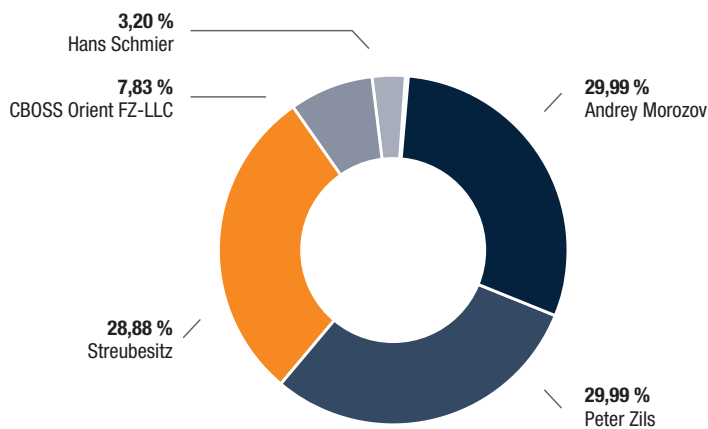
ecotel shares at a glance

ecotel's shares began 2024 at EUR 17.50. The share price briefly peaked at EUR 17.80 in the first quarter of 2024. Due to the expectations from the previous year, it then declined slightly following the announcement of the dividend proposal of EUR 0.47 per share. ecotel's shares closed the first quarter of 2024 at EUR 15.30. With 3.51 million shares outstanding, the company's market capitalisation is therefore EUR 53.7 million (31 March 2023: EUR 60.5 million). The average trading volume in the first three months

Shareholder structure

was 1,791 (Q1 2023: 7,809). The share capital of ecotel communication ag was unchanged with 3,510,000 shares as at 31 March 2024. Mr Zils slightly increased his equity interest in March. He and Mr Morozov still each hold just under 30% of the shares. Approximately 11% is held by various shareholders known to us on the basis of corresponding notifications (WpHG notifications > 3%). The free float is around 29%.

Share ownership (31 March 2024) in %

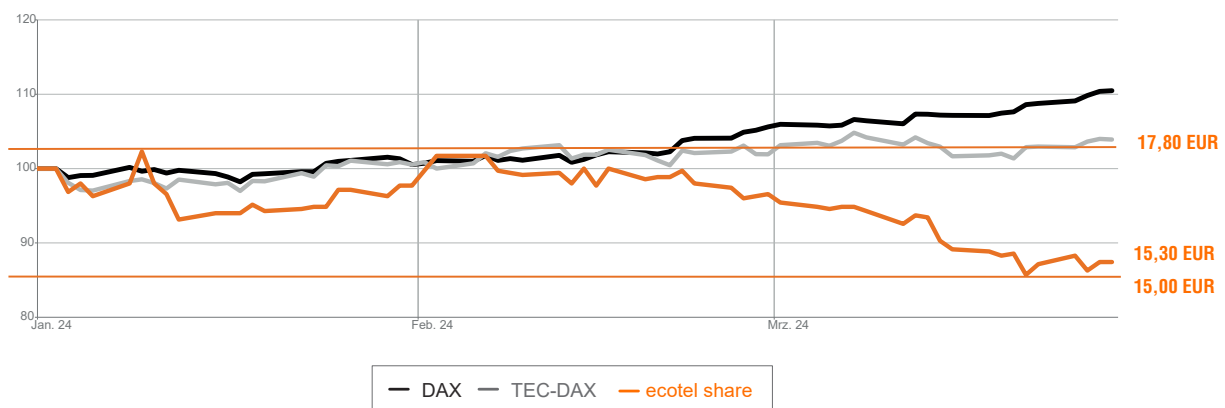


Key figures Ø 2024

WKN	585434
ISIN	DE0005854343
Symbol	E4C
Market segment since 8 August 2007	Prime Standard
Index membership	CDAX, Prime All Share Technology All Share
Category	No-par-value shares
Date of first listing	29 March 2006
Number of shares as at 31 March 2024	3,510,000
Average daily volume in 2024	1,791
Highest price in 2024 (EUR)	17.80
Lowest price in 2024 (EUR)	15.00
Market capitalisation as at 31 March 2024 (EUR million)*	53.7
Designated sponsor	ICF BANK AG

* Based on the closing price of EUR 15.30 per share on 31 March 2024 with 3,510,000 shares outstanding

Price performance of ecotel shares in 2024 in %



CONSOLIDATED STATEMENT OF FINANCIAL POSITION



AS AT 31 MARCH 2024 (UNAUDITED)

EUR	31/12/2023	31/03/2024
Assets		
A. Non-current assets		
I. Intangible assets	15,260,320	16,280,588
II. Property, plant and equipment	4,211,687	5,211,379
III. Rights of use from leases	5,751,892	5,544,686
IV. Capitalised contract costs	3,262,887	3,675,881
V. Investments accounted for using the equity method	1,280,511	1,330,516
VI. Trade receivables	96,051	90,550
VII. Other financial assets	886,874	817,000
VIII. Other non-financial assets	648,481	1,485,190
Total non-current assets	31,398,703	34,435,790
B. Current assets		
I. Trade receivables	10,921,806	10,672,871
II. Contract assets	25,680	16,050
III. Other financial assets	361,692	374,542
IV. Other non-financial assets	692,967	455,605
V. Current income tax assets	224,296	369,750
VI. Cash and cash equivalents	3,702,441	1,763,792
Total current assets	15,928,882	13,652,610
Total assets	47,327,585	48,088,400

Differences in the totals may occur due to rounding.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



AS AT 31 MARCH 2024 (UNAUDITED)

EUR	31/12/2023	31/03/2024
Equity and liabilities		
A. Equity		
I. Share capital	3,510,000	3,510,000
II. Capital reserves	2,240,036	2,269,650
III. Other reserves	17,978,678	18,246,525
Total equity	23,728,714	24,026,175
B. Non-current liabilities		
I. Deferred income taxes	1,082,388	1,204,024
II. Lease liabilities	5,499,459	5,309,873
III. Contract liabilities	366,321	318,074
Total non-current liabilities	6,948,167	6,831,971
C. Current liabilities		
I. Current income taxes	2,284,559	1,363,266
II. Lease liabilities	925,840	928,429
III. Trade payables	11,048,488	12,179,930
IV. Contract liabilities	576,551	538,376
V. Other financial liabilities	1,074,755	494,239
VI. Other non-financial liabilities	740,511	1,726,014
Total current liabilities	16,650,704	17,230,254
Total equity and liabilities	47,327,585	48,088,400

Differences in the totals may occur due to rounding.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER OF 2024 AND THE FIRST THREE MONTHS OF 2023 (UNAUDITED)

EUR	01/01–31/03/2023	01/01–31/03/2024
1. Sales	28,576,243	28,148,391
2. Other operating income	6,474,026	77,552
3. Other own work capitalised	130,613	120,628
4. Total operating performance	35,180,882	28,346,571
5. Cost of materials	-20,428,558	-20,044,086
6. Staff costs	-4,403,603	-3,886,008
6.1 Wages and salaries	-3,895,665	-3,312,941
6.2 Social security and expenses for pensions and other benefits	-507,938	-573,067
7. Depreciation and amortisation	-1,271,482	-1,107,303
thereof amortisation of rights of use from leases	-243,379	-255,355
8. Other operating expenses	-3,047,191	-2,903,484
9. Operating result (EBIT)	6,030,048	405,690
10. Interest income	354,256	10,968
11. Interest expenses	-49,727	-77,180
thereof interest expense from lease liabilities	-41,675	-66,212
12. Net income from investments accounted for using the equity method	80,006	50,004
13. Net finance costs	384,535	-16,208
14. Profit from ordinary activities before income taxes	6,414,583	389,482
15. Income taxes	-1,982,039	-121,635
16. Earnings after taxes from continuing operations	4,432,543	267,847
17. Earnings after taxes from discontinued operations	89,178	-
18. Net profit (= consolidated net profit)	4,521,722	267,847

EUR	01/01–31/03/2023	01/01–31/03/2024
Basic earnings per share	1.29	0.08
Diluted earnings per share ¹	1.17	0.07

No stock options were exercised in 2024 (4-year lock-up period).

The "Other comprehensive income" item is not presented due to a lack of relevant information.

Prior-year figures were restated.

Differences in the totals may occur due to rounding.



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Legal notice

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Disclaimer

Liability disclaimer:

This report (in particular the “Outlook” section) contains forward-looking statements that reflect the current views of ecotel’s management with regard to future events. Such statements are generally characterised by the words “expect”, “anticipate”, “assume”, “intend”, “estimate”, “aim for”, “target”, “plan”, “will”, “endeavour”, “outlook” and comparable expressions, and they generally contain information relating to the expectations or targets for sales, EBITDA or other performance indicators. Forward-looking statements are based on currently applicable plans, assessments and expectations. They should therefore be treated with caution. Such statements are subject to risks and uncertainties that tend to be difficult to estimate and are generally beyond ecotel’s control.

Other possible factors that could significantly impact the cost and sales development include changes in interest rates, regulatory requirements, more intensive competition than anticipated, changes in technologies, legal disputes and supervisory law developments. If these or other risks and uncertainties materialise, or if the assumptions on which the statements are based prove to be incorrect, then ecotel’s actual results could differ significantly from those expressed or implied in these statements.

ecotel cannot provide any guarantee that the expectations or targets will be achieved and – notwithstanding existing obligations under capital market law – does not accept any responsibility for updating forward-looking statements to take account of new information, future events or other things.

In addition to the figures prepared in accordance with IFRS, ecotel also presents pro forma figures such as gross profit, EBITDA, EBITDA margin, free cash flow as well as gross and net financial liabilities, which are not covered by the financial reporting standards. These figures should be seen as supplementary but not a substitute to the data prepared in accordance with IFRS. Pro forma figures are not covered by IFRS or any other generally applicable financial reporting standards. Other companies may base these terms on different definitions.