

# **Q3** Quarterly Statement

# 2020

Profit and loss account (IFRS)		9 months 2019 (IFRS)	9 months 2020 (IFRS)	3 <sup>rd</sup> quarter 2019 (IFRS)	3 <sup>rd</sup> quarter 2020 (IFRS)
<b>Revenue</b>	in million €	<b>61.8</b>	<b>69.2</b>	<b>20.8</b>	<b>26.4</b>
ecotel Business Solutions	in million €	35.2	34.5	11.7	11.7
ecotel Wholesale Solutions	in million €	11.5	17.3	3.7	8.9
easybell	in million €	13.7	15.7	4.9	5.3
nacamar	in million €	1.4	1.6	0.4	0.5
<b>Gross profit</b>	in million €	<b>24.7</b>	<b>27.2</b>	<b>8.4</b>	<b>9.8</b>
ecotel Business Solutions	in million €	17.5	17.7	5.8	6.1
ecotel Wholesale Solutions	in million €	0.3	0.5	0.1	0.2
easybell	in million €	6.1	8.0	2.2	3.0
nacamar	in million €	0.8	1.1	0.3	0.5
<b>EBITDA<sup>1</sup></b>	in million €	<b>6.6</b>	<b>7.9</b>	<b>2.0</b>	<b>3.0</b>
in % of revenue		10.7 %	11.5 %	9.8 %	11.4 %
Operating result (EBIT)	in million €	1.2	2.1	0.2	1.0
Consolidated profit <sup>2</sup>	in million €	-0.1	0.2	-0.2	0.2
Consolidated profit (without effects of IFRS 16)	in million €	0.0	0.3	-0.1	0.2
Earning per share <sup>3</sup>	in €	-0.04	0.06	-0.06	0.05

Cash flow		9 months 2019 (IFRS)	9 months 2020 (IFRS)
Cash and cash equivalents as of 01/01	in million €	6.1	8.3
Cash flow from ongoing business activities	in million €	6.9	6.5
Cash flow from investment activities	in million €	-5.0	-3.8
Cash flow from financing activities	in million €	-0.9	-3.6
Financial resources as of 30/09	in million €	7.2	7.5
<b>Free cash flow<sup>4</sup></b>	<b>in million €</b>	<b>1.9</b>	<b>2.7</b>
Free cash flow (without effects of IFRS 16)	in million €	0.7	1.2

Balance sheet (IFRS)		9 months 2019 (IFRS)	9 months 2020 (IFRS)
Balance sheet total	in million €	53.3	53.9
Equity	in million €	22.0	22.6
in % of the balance sheet total		41.2 %	41.9 %
<b>Net financial assets<sup>5</sup></b>	in million €	<b>-0.3</b>	<b>1.5</b>

Other key figures		9 months 2019	9 months 2020
Number of shares as of 30/09 (outstanding shares)	Quantity	3,510,000	3,510,000
Employees as of 30/09 <sup>6</sup>	Quantity	254	259
Personnel expenses	in million €	-11.4	-11.9

Differences in the totals can occur due to commercial rounding

<sup>1</sup> Earnings before interest, taxes, depreciation and amortisation <sup>2</sup> Corresponds to the consolidated profit after deduction of minority interests

<sup>3</sup> Both undiluted and diluted <sup>4</sup> Free Cashflow = cash flow from ongoing business activities + cash flow from investment activities

<sup>5</sup> Loan payable minus funds

<sup>6</sup> Without minority companies (mvneco)

Key figures	2
<b>Consolidated quarterly statement of accounts</b>	
Consolidated balance sheet as of 30 September 2020	4–5
Consolidated profit statement for the third quarter 2020 and the first nine months of 2020	6–8
Contact	9
Imprint	9
Disclaimer	9

Dear Shareholders,

In the first nine months of the year 2020 we achieved total revenue of € 69.2 million (previous year: € 61.8 million), gross profit of € 27.2 million (previous year: € 24.7 million), and EBITDA of € 7.9 million (previous year: € 6.6 million). With these figures, even under the difficult conditions resulting from the worldwide Covid-19 pandemic, ecotel continues to remain well within the forecast plan for 2020.

Gross profit in the ecotel Business Solutions segment increased in the quarterly comparison by € 0.3 million to € 6.1 million, and in the 9-month comparison by € 0.2 million to € 17.7 million. Revenue in this segment was stable in the quarterly comparison at € 11.7 million and in the 9-month comparison decreased slightly as expected by € 0.7 million to € 34.5 million. The gross profit margin increased by 3 percentage points to more than 50 % compared to the third quarter 2019. In this segment alone, the SIP voice channels on the new NGN platform increased by 38 % to nearly 90,000 compared to the previous year. This brings the goal of 100,000 self-“produced” voice channels within reach. The associated voice minutes likewise increased by 77 % in the same period. This dynamic development has already allowed migration of 90 % of previous ISDN voice minutes to high-margin SIP products of the ecotel platform, resulting in a positive development of the gross profit margin.

Finally, the high-performance ecotel SIP trunk was developed and launched as a new product for integration in Microsoft Teams. This solution combines digital and mobile work in online meetings and video conferences with ecotel’s high-quality telephony portfolio. Every customer and partner now has a convenient and inexpensive way to combine an existing or new Teams installation with the fixed-line products from ecotel for existing and new subscriber numbers.

The easybell segment continued its positive development in the first nine months of the year 2020. Revenue increased by € 2.0 million to € 15.7 million, and the gross profit increased by € 1.9 million to € 8.0 million. With a 16 % increase in revenue, or € 0.2 million to € 1.6 million, the nacamar segment was also able to increase gross profit by 31 %, or € 0.3 million to € 1.1 million.

Altogether, the Group increased EBITDA by € 1.3 million to € 7.9 million and EBIT by € 1 million to € 2.1 million in the first nine months of the year 2020. Both EBITDA (by € 1.0 million) and EBIT (€ 0.9 million) also increased in the quarterly comparison. Free cash flow totalled € 2.7 million, an increase of € 0.8 million compared to the first nine months of the previous year. Financial loans totalling € 1.3 million were paid back as scheduled and disbursements totalling € 1.0 million were paid to non-controlling shareholders. Nevertheless, net financial assets increased by € 0.5 million to € 1.5 million in comparison with end of year 2019.

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. So far the Covid-19 pandemic has had only minor effects on ecotel’s business development. In view of the current increase in the number of infections, reliable planning as to how long this trend will continue is not possible. However, we believe ecotel 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 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 the upper end of the forecast corridor of € 8.5 to 10.5 million.

Düsseldorf, November 2020



Peter Zils  
Chief Executive Officer



Markus Hendrich  
Management Board



Achim Theis  
Management Board

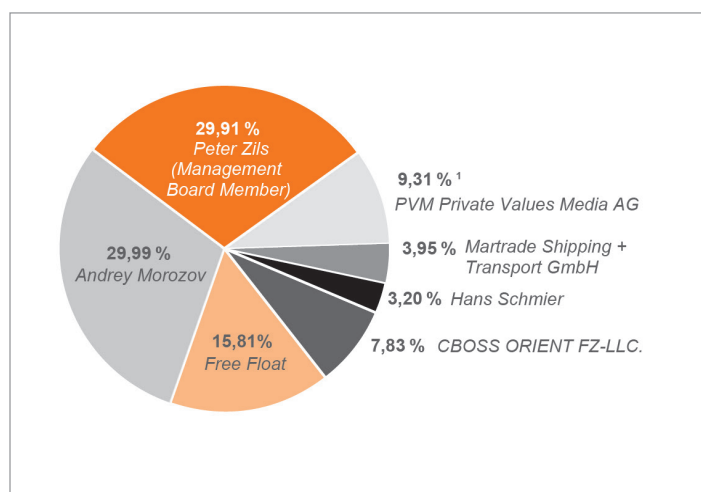
## Overview of the ecotel share

The ecotel share started the year 2020 at € 6.60. During the course of the first three quarters of 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 somewhat more positive. The ecotel share closed the first nine months of 2020 at a price of € 7.00. With 3.51 million outstanding shares this results in market capitalization of € 24.6 million (30 September 2019: € 24.0 million). The average trading volume in 2020 thus far totals 2,063 shares (previous year: 822 shares)

## Shareholder structure

As of 30 September 2020 the share capital of ecotel communication ag remained unchanged at 3,510,000 shares. In the third quarter, Hans Schmier reported shareholdings of 3.2 %. 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. PVM Private Values Media AG holds 9.31 %, CBOSS Orient FZ-LLC holds 7.83 %, Martrade Shipping + Transport GmbH holds 3.95 %, and Hans Schmier holds 3.2 %. The diversified holdings are therefore approximately 16 %.

## Shareholdings (30/09/2020) in percent



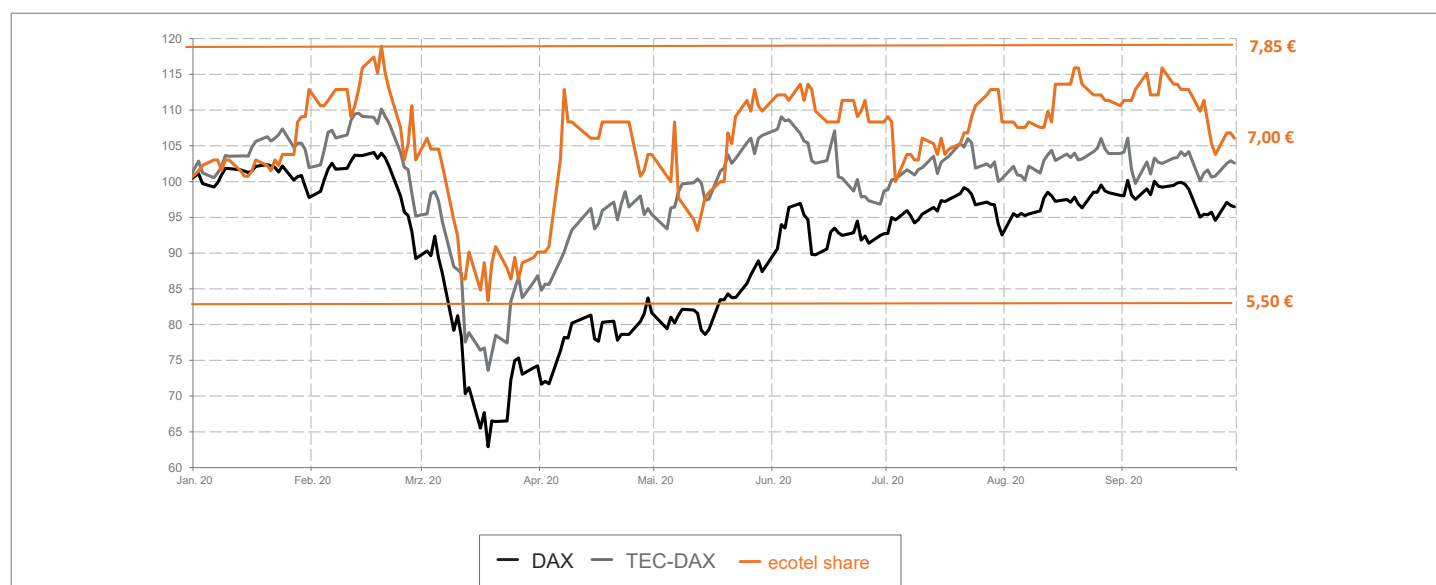
<sup>1</sup> According to the last notice of 07/04/2011 prior to call-in of treasury shares in 2014 (basis: 3,900,000 shares)

## 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 30/09/2020	3,510,000
Average daily trading volume 2020	2,063
High share price 2020 (€)	7.85
Low share price 2020 (€)	5.50
Market capitalisation as of 30/09/2020 (in million €)*	24.6
Designated sponsor	Lang & Schwarz Broker GmbH

\* Based on the closing price of € 7.00 per share for 3,510,000 outstanding shares as of 30 September 2020

## Price trend of the ecotel stock in 2020 in percent



## Consolidated balance sheet as of 30 September 2020 (unaudited)

€	31/12/2019	30/09/2020
<b>Assets</b>		
<b>A. Non-current assets</b>		
I. Intangible assets	13,280,638	13,107,125
II. Fixed assets	11,109,794	11,486,233
III. Rights of use from a leasing agreement	8,441,779	7,729,506
IV. Capitalised contract costs	2,812,221	2,897,161
V. Financial assets measured at equity	996,828	1,113,616
VI. Deferred income tax claims	1,158,157	1,460,056
<b>Total non-current assets</b>	<b>37,799,387</b>	<b>37,793,697</b>
<b>B. Current assets</b>		
I. Trade receivables	7,437,263	6,381,007
II. Contract assets	43,558	151,536
III. Other financial assets	2,514,259	984,848
IV. Other non-financial assets	402,990	477,811
V. Actual income tax claims	376,178	627,380
VI. Cash and cash equivalents	8,253,405	7,453,280
<b>Total current assets</b>	<b>19,027,653</b>	<b>16,075,862</b>
<b>Total assets</b>	<b>56,827,040</b>	<b>53,869,559</b>

Differences in the totals can occur due to commercial rounding.

**Consolidated balance sheet as of 30 September 2020 (unaudited)**

€	31/12/2019	30/09/2020
<b>Liabilities</b>		
<b>A. Equity capital</b>		
I. Subscribed capital	3,510,000	3,510,000
II. Capital reserves	1,833,254	1,853,246
III. Other provisions	13,439,439	13,639,140
<b>Shares of the owners of the parent company</b>	<b>18,782,694</b>	<b>19,002,386</b>
IV. Shares of other shareholders	3,389,254	3,554,381
<b>Total equity capital</b>	<b>22,171,947</b>	<b>22,556,767</b>
<b>B. Non-current liabilities</b>		
I. Latent income tax	986,353	818,738
II. Non-current loans	5,499,992	3,687,490
III. Leasing liabilities	7,395,473	6,769,337
IV. Contract liabilities	1,146,628.	1,455,280
V. Other financial liabilities	1,506,744	1,329,254
<b>Total non-current liabilities</b>	<b>16,535,190</b>	<b>14,060,099</b>
<b>C. Current liabilities</b>		
I. Actual income tax	330,675	843,958
II. Current loans	1,750,008	2,250,008
III. Leasing liabilities	1,212,016	1,227,178
IV. Accounts payable	10,487,856	9,148,010
V. Contract liabilities	1,040,199	1,132,864
VI. Provisions	10,695	4,945
VII. Other financial liabilities	2,226,946	1,861,224
VIII. Other non-financial liabilities	1,061,508	784,506
<b>Total current liabilities</b>	<b>18,119,903</b>	<b>17,252,693</b>
<b>Total liabilities</b>	<b>56,827,040</b>	<b>53,869,559</b>

*Differences in the totals can occur due to commercial rounding.*

## Consolidated profit statement

for the third quarter 2020 and the first nine months of 2020 (unaudited)

€	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2019	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2020	3 <sup>rd</sup> quarter 2019	3 <sup>rd</sup> quarter 2020
1. Sales revenue	61,827,619	69,210,658	20,796,618	26,422,684
2. Other operating income	629,175	303,616	55,537	92,627
3. Other company-manufactured items capitalised	366,889	196,516	81,575	85,378
<b>4. Total revenue</b>	<b>62,823,682</b>	<b>69,710,790</b>	<b>20,933,730</b>	<b>26,600,689</b>
5. Cost of materials				
Expenses for services purchased	–37,124,651	–41,981,701	–12,368,892	–16,665,728
6. Personnel expenses				
6.1 Wages and salaries	–9,714,848	–10,231,397	–3,279,868	–3,551,238
6.2 Social contributions and expenses for pensions and benefits	–1,691,792	–1,698,907	–559,290	–570,042
7. Scheduled depreciations	–5,404,812	–5,685,468	–1,836,257	–1,953,052
of which depreciations on rights of use from leases	–966,922	–991,236	–343,846	–332,435
8. Other operating expenses	–7,735,381	–7,965,627	–2,729,265	–2,848,540
<b>9. Operating result (EBIT)</b>	<b>1,152,197</b>	<b>2,147,690</b>	<b>160,159</b>	<b>1,012,089</b>
10. Financial income	0	64	0	64
11. Interest expenses	–376,252	–373,631	–124,810	–119,576
thereof interest expenses from leasing liabilities	–194,185	–175,941	–63,389	57,533
12. Other financial expenses	–8,834	–738	–822	–236
13. Earnings from financial assets measured at equity	167,648	116,788	46,214	53,996
<b>14. Financial result</b>	<b>–217,438</b>	<b>–257,517</b>	<b>–79,418</b>	<b>–65,752</b>
<b>15. Earnings from normal business activities before income tax</b>	<b>934,760</b>	<b>1,890,173</b>	<b>80,741</b>	<b>946,338</b>
16. Taxes on income and earnings	–250,493	–544,946	20,917	–298,079
<b>17. Surplus (= total consolidated profit)</b>	<b>684,267</b>	<b>1,345,227</b>	<b>101,658</b>	<b>648,259</b>
18. Allocation of the surplus to the				
<b>18.1 Owners of the parent company (consolidated surplus)</b>	<b>–126,935</b>	<b>199,700</b>	<b>–203,113</b>	<b>178,631</b>
18.2 Shares of other shareholders	811,202	1,145,527	304,771	469,627

€	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2019	1 <sup>st</sup> –3 <sup>rd</sup> quarter 2020	3 <sup>rd</sup> quarter 2019	3 <sup>rd</sup> quarter 2020
Undiluted earnings per share	–0.04	0.06	–0.06	0.05
Diluted earnings per share	–0.04	0.06	–0.06	0.05

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



## Contact

Annette Drescher

Phone: +49 211-55 007-740

Fax: +49 211-55 007 5 740

E-mail: [investorrelations@ecotel.de](mailto:investorrelations@ecotel.de)

## Imprint

### Published by

ecotel communication ag

Prinzenallee 11

40549 Düsseldorf, Germany

## 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.