

ecotel presents Q3 figures: Further growth in profitability and upward adjustment of forecast

- Sustainable growth in the B2B and easybell segments
- Q3 EBITDA increases by 60 % to € 4.8 million (prev. year: € 3.0 million)
- 9M EBITDA increases by 62 % to € 12.8 million (prev. year: € 7.9 million)
- Upward adjustment of EBITDA forecast for 2021 to € 17.5 – 18.5 million
- 9M free cash flow improved by 185 % to € 7.7 million (prev. year: € 2.7 million)
- Net financial assets increase to € 7.0 million (12/31/2020: € 2.3 million)
- 9M consolidated surplus increased significantly to € 3.2 million (prev. year: € 0.2 million) and EPS to € 0.91 per share (prev. year: € 0.06)

Düsseldorf, November 9, 2021

The **ecotel Group** succeeded in closing the **third quarter 2021** significantly above expectations. Sustained improvement in profitability in the »*ecotel Business Solutions*« and »*easybell*« segments continued. With **gross profit** of € 11.4 million (prev. year: € 9.8 million) the Group achieved **EBITDA** totaling € 4.8 million (prev. year: € 3.0 million). This corresponds to an increase of 60 % compared to the third quarter 2020.

In the **first nine months of the year 2021** the ecotel Group continued to increase revenue in the »*ecotel Business Solutions*« (+4 %) and »*easybell*« (+18 %) segments, in addition to the gross profit margin (+22 %). The Group achieved **gross profit** of € 33.2 million (prev. year: € 27.2 million) and **EBITDA** totaling € 12.8 million (prev. year: € 7.9 million). On the basis of the continued excellent business prospects for the fourth quarter 2021, the Management Board has upwardly adjusted the EBITDA forecast to € 17.5 – 18.5 million.

Consolidated profit: € 3.2 million / € 0.91 per share

The »*ecotel Business Solutions*« segment exhibited a sustainable increase in growth again in the third quarter, thereby increasing the segment's contribution to consolidated profit. In the »*easybell*« segment the strong growth of previous years continued. Consequently, ecotel was able to significantly increase both **consolidated profit** (€ 3.2 million) and **earnings per share** (€ 0.91) in the first three quarters, achieving a multiple of the result for the entire financial year 2020 (€ 1.0 million; € 0.28 per share) in only nine months.

Financial and balance sheet figures: Substantial increase in free cash flow and net financial assets

Growth and continued increases in profitability have also boosted **free cash flow** to € 7.7 million (prev. year: € 2.7 million). Loans totaling € 1.8 million (prev. year: € 1.3 million) were reduced as scheduled in the first nine months. In total, **net financial assets** of € 2.3 million at the start of the year increased to € 7.0 million as of September 30, 2021.

Development of the individual segments

ecotel Business Solutions segment: Growth of revenue, gross profit and EBITDA

In the »*ecotel Business Solutions*« segment the positive development clearly continued after successfully completing the transformation process of the past years. Profitability continues to rise. In addition to the change in the product mix with higher value creation and accordingly higher margins, as well as continued expansion of data transactions in recent years, profitability is positively and sustainably affected by purchasing advantages resulting from changes in upstream services, new purchasing contracts, and also regulatory decisions.

The scalable production platform has established the basis for further growth. The focus is on acquisition of new customers, with the offer of both products and solutions.

Revenue in this segment increased in the first 9 months by 4 % to € 36.0 million and **gross profit** by 17 % to € 20.7 million. The **gross profit margin** increased to 57.5 % (prev. year: 51.3 %).

After deducting operating expenses, primarily for personnel and other operating expenses, the segment achieved **EBITDA of € 6.0 million**, therefore doubling the amount from the comparison period (prev. year: € 3.0 million).

easybell segment: Continued significant growth and further increase of profitability

The »easybell« segment continued to grow undiminished in the first 3 quarters, with a 18 % increase in **revenue** to € 18.5 million and a 34 % increase in **gross profit** to € 10.7 million. The high scalability of the business model, together with continued customer growth, led to **EBITDA** growth of 43 % **likewise to € 6.0 million** (prev. year: € 4.2 million).

nacamar and ecotel Wholesale segments: Scheduled developments

The »nacamar« and »ecotel Wholesale« segments developed as planned. The »nacamar« segment achieved revenue totaling € 1.8 million (prev. year: € 1.6 million) and EBITDA of € 0.5 million (prev. year: € 0.4 million) in the first three quarters 2021. Altogether, these two segments contribute € 0.8 million to consolidated EBITDA.

Upward adjustment of forecast:

Due to the continued positive development in the Group's business activities and the good prospects for the fourth quarter, ecotel is upwardly adjusting the forecast for the entire year 2021:

For the »ecotel Business Solutions« segment, the forecast provides for revenue in a corridor of € 47 to 50 million, with a continuing slight increase in the gross profit margin and therefore in gross profit. The »easybell« segment expects revenue between € 24 and 26 million, and the »nacamar« segment € 2.0 to 2.5 million.

EBITDA is expected to be within a corridor of € 17.5 to 18.5 million. For the »ecotel Business Solutions« segment the Management Board expects EBITDA in a corridor of € 7.5 to 8.5 million, for the »easybell« segment in a corridor of € 7.5 to 8.5 million, and for the »nacamar« segment approximately 1.0 million. In the reporting for the first half-year 2021 the Management Board assumed EBITDA in a corridor of € 15 to 16 million for financial year 2021.

The risks that could have resulted from the Covid-19 pandemic and the flood disaster fortunately did not materialize. Furthermore, the »ecotel Business Solutions« segment achieved a further increase in the gross profit margin, which turned out to be higher than expected. The unanticipated positive development in the »easybell« segment likewise continued in the third quarter.

About ecotel communication ag:

The ecotel Group (hereinafter »ecotel«), operating throughout Germany since 1998, specializes in the marketing of IT and telecommunications solutions in various segments. The parent company is ecotel communication ag with headquarters in Düsseldorf. Including its subsidiaries and holdings, ecotel has a total of about 300 employees. Currently ecotel serves more than 50,000 customers nationwide, providing 50,000 data connections and more than 360,000 voice channels.

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