



ANNUAL REPORT

2023



Eckert & Ziegler
Contributing to saving lives

KEY DATA

		Change	2022**	2023
Sales and Earnings				
Sales	€ million	+11%	222.2	246.1
EBITDA	€ million	+2%	57.8	58.8
Sales and Earnings	€ million	+22%	10.9	13.4
EBIT	€ million	-3%	46.8	45.5
EBIT margin	%		21%	18%
Tax rate	%		32%	27%
Net profit for the year after taxes and minorities	€ million	-10%	29.3	26.3
Earnings per share	€	-11%	1.41	1.26
Cash Flow				
Cash flow from operating activities	€ million	+19%	38.0	45.2
Liquid assets as of 31 December	€ million	-18%	82.7	68.0
Balance				
Shareholders' equity	€ million	+5%	212.1	222.2
Total assets	€ million	+8%	407.5	439.4
Equity ratio	%		52%	51%
Net liquidity (liquidity minus debts)	€ million	-31%	60.3	41.6
Employees				
Average number of employees		+9%	946	1,035
Number of employees as of 31 December		+10%	976	1,075
Key figures share				
Average number of shares in circulation	Item in million	0%	20.8	20.8
Book value per share as of 31 December	€	+5%	10.2	10.7
Dividend*	€	-90%	0.50	0.05

* For 2023 dividend proposal of the company (March 19, 2024) to the Annual General Meeting

** Due to IFRS 5, POC contracts and IAS 29, change in presentation of previous year's figures

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Eckert & Ziegler AG changed its legal form in 2024 and since March 2024 is a European stock corporation (SE). As this report relates to the 2023 financial year, the legal form AG is still used here.

The official version of the Eckert & Ziegler annual report is in German. The English translation is provided as a convenience to our shareholders. While we strive to provide an accurate and readable version of our annual report in English, the technical nature of an annual report often yields awkward phrases and sentences. We understand this can cause confusion. So, please always refer to the German annual report for the authoritative version.

LETTER TO THE SHAREHOLDERS

*Dear Shareholders
of the Eckert & Ziegler AG SE,*

While writing these lines for the 2023 report, we are already in the middle of the following year; and I almost made the first formal error: After 30 years of successful operation as a German stock corporation, we recently converted our company into a European Societas Europaea (SE). The advantages are obvious. Although we are a German company, we operate primarily on a European and international level. Structural adjustments, cooperations and the expansion of our growing business can be implemented even more efficiently as an “SE” than before. Although the change of name is important, I can assure you that our mission statement, “Contributing to saving lives”, will remain unchanged in the future.

More important than this change in legal form is the new record that Eckert & Ziegler achieved in the past financial year with sales of almost €250 million. We are very satisfied with this ongoing positive development, as 2023 was also a challenging year for Eckert & Ziegler in many respects: geopolitical upheaval, high inflation rates, rising interest rates and energy prices, to name just a few adversities. Nevertheless, as an isotope specialist, we performed well across all segments.

Today, we employ over 1,000 people. That’s quite a journey! A good ten years ago, we still had 500 employees under contract and achieved a turnover of €100 million. Since then, both the number of EZAG employees and our turnover have doubled.

The driving force behind our business continues to be the unbroken high demand for radiopharmaceuticals for nuclear medicine. Last year, we expanded our product range by the isotope lutetium-177, which is important for cancer treatment. This means that we now provide all common nuclides for our customers. The flagship product, the gallium generator, achieved another sales record thanks to

continued strong demand. This year, we will launch actinium-225 on the market, once again demonstrating our leading position in the field of isotope production. Part of this positive development is our plant engineering division in Dresden, which is now making a significant contribution to the Medical segment’s sales growth.

The Isotope Products segment’s performance also improved in 2023. The backlog of customer orders caused by the pandemic was cleared and made up for. The signs are once again pointing to growth in 2024. The segment recorded continuous growth, particularly in the area of calibration sources for nuclear medicine and isotope supply. Demand for radiation sources for the energy sector also increased in 2023 despite the recessionary pressure; we are expecting this to continue in the current year.

Last but not least, various investment projects around the globe have kept us busy. We are not only expanding our sites in North and South America. In Germany and China, we are also moving full steam ahead after the corona break. Together with our Chinese joint venture partner, we are expanding our core expertise in this important market. Nevertheless, the era of cheap money is over. Even more reason to manage not only investments but also the total capital involved in such a way that the funds tied up remain within reasonable limits.

Changes have also been made to the corporate structure: the founder of Eckert & Ziegler, Dr Andreas Eckert, moved from the Executive Board to the Supervisory Board after more than 30 years and since then has accompanied us with commitment and dedication. Over the past few months, the newly appointed Executive Board has held intensive discussions with both the Supervisory Board and all management levels about the company’s future strategy. This also included the decision to focus more



strongly on core competencies in future: The production and sale of radioisotopes. Adjacent areas such as Pentixa-pharm or Myelo no longer fit into this spectrum despite their promising prospects and led to the communicated spin-off decision.

The future looks optimistic. Recent drug developments in the pharmaceutical industry and the increasing number of radiopharmaceutical companies are promising. In recent months, the capital market has finally opened up again – many companies active in the development and marketing of diagnostic and therapeutic drugs have either been able to secure financing or have been acquired entirely by Big Pharma. Both of these developments are positive for us, as they will further increase the demand for radioisotopes in the future. That will benefit us and we are already preparing for this within our investment planning.

Our success is based on the strong commitment of our employees in 13 countries and on our cornerstones such as diversity, inclusion and equal opportunities. The different experiences and perspectives of our employees enrich our corporate culture, promote creativity and innovation and help us to offer our customers needs-based solutions. A working environment in which everyone is given the opportunity to develop and realize their potential without harassment, discrimination or disadvantage is therefore essential for us. We attach great importance to constantly improving in terms of diversity, inclusion

and equal opportunities with the help of our employees and managers. Discrimination, racism and extremism have no place at our company. This is a promise to all employees that they will feel represented and valued within the Group. At the same time, it is also an expectation that these standards are respected and practiced by everyone.

Finally, we align our corporate activities sustainably with a balanced relationship between economic, social and ecological aspects and refer to the principles defined in our Code of Conduct. Last year, we stepped up our work both personally and technically to collect global ESG key figures and to implement the Corporate Sustainability Reporting Directive (CSRD) as required by law.

On behalf of the company management, I would like to thank all customers, partners and employees, but above all you, our shareholders, for your loyalty and solidarity. I look forward to 2024 and the coming years with confidence and optimism. We will continue working to ensure that your investment in Eckert & Ziegler pays off.

Sincerely,

A handwritten signature in blue ink that reads "Dr. Harald Hasselmann". The signature is written in a cursive, flowing style.

DR HARALD HASSELMANN
Chairman of the Executive Board

GROUP EXECUTIVE COMMITTEE



After studying economics and sinology in Hamburg and Taiwan, Ms Ludwig held various positions in German-Chinese economic cooperation. She was the managing director of the German Chamber of Commerce Abroad in Beijing for many years. She is a proven expert in business and economic policy cooperation with China and Asia. Since January 2023, Ms Ludwig is responsible for the Group's Asian business within the Executive Board.



After completing a degree in mechanical engineering and an MBA, Mr Yeager worked in executive level positions at international industrial corporations. Since the end of 2001, he has served as CEO and Head of the Isotope Products division at the American subsidiary of Eckert & Ziegler Isotope Products, Inc. Member of the Executive Board since June 2023.



After completing his doctorate studies in economics he gained experience at various international pharmaceutical companies. He was head of controlling for Europe at Bayer Pharma, managing director at Schering's Hungarian subsidiary and director of the Berlin-based biotech company metaGen. He has held various positions in large and medium-sized healthcare companies and has an excellent track record in sales, controlling and implementing restructuring measures. Dr Hasselmann has been member of the Executive Board since January 2017 and was appointed Chairman of the Executive Board in June 2023.



After studying human biology in Marburg and obtaining his PhD in Göttingen, Dr Bouterfa worked as a scientist, among others in San Diego and Würzburg. He also held various positions in clinical research at Novartis AG and was a founder and managing director of R&D companies. Dr Bouterfa is a highly experienced medical researcher in oncology with more than 20 years of clinical development experience. From January to December 2023, he was responsible for the Group's clinical development as Chief Medical Officer.



ANA RAMIREZ
Member of the Group Executive Committee
Isotope Products Segment

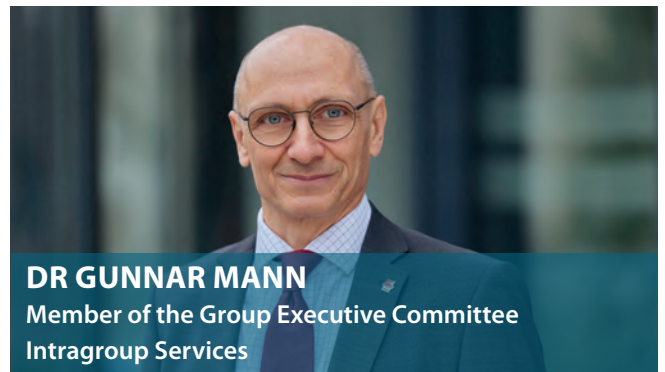
Ana Ramirez graduated with a degree in Chemistry from the University of California Los Angeles where she worked at the UCLA Medical Center and Neurobiology Department before joining Eckert & Ziegler. Since 2000, she has held several technical and general managerial positions in Research & Development, Operations, and Quality & Regulatory. She serves as Isotope Products Segment Vice President of Regulatory & Quality Operations since 2018 and became a member of the Group Executive Committee in April 2023.



JOE HATHCOCK
Member of the Group Executive Committee
Isotope Products Segment

Joe Hathcock graduated in Mechanical Engineering and holds an MBA. After various management positions at Northrop Grumman and British Petroleum he joined Eckert & Ziegler in 2001 as Chief Operating Officer of the Isotope Products segment. He became a member of the Group Executive Committee of Eckert & Ziegler in January 2019.

The Group Executive Committee is comprised of the managers of the most important segments – who are mostly the same members of the Executive Board – and the executive managers of the larger subsidiaries. The responsibilities and duties of the Group Executive Committee include providing regular updates regarding business trends and transactions, discussing strategic issues and implementing decisions made by the Executive Board.



DR GUNNAR MANN
Member of the Group Executive Committee
Intragroup Services

Dr Mann holds an MBA and a Ph. D. in physics. After completing his studies, he worked at the Dresden University of Applied Sciences and TÜV Energie und Systemtechnik GmbH. In 1998, Dr Mann joined the Eckert & Ziegler Group, first as a physicist, then as Product Development Manager.

REPORT OF THE SUPERVISORY BOARD

Dear Shareholder,

In fiscal year 2023, the Supervisory Board properly fulfilled the tasks incumbent upon it according to the law, the Articles of Association, and the rules of procedure. It continuously monitored the Executive Board and advised it on its corporate management activities. The Supervisory Board was directly involved in all decisions of fundamental importance to the company.

The Executive Board regularly, promptly, and extensively informed the Supervisory Board about corporate planning, business performance, and strategic progress, as well as the Group's current situation.

The Chairman of the Supervisory Board was also regularly informed by the Chairman of the Executive Board outside Supervisory Board meetings about current developments and significant business transactions. Moreover, the Chairman of the Supervisory Board and the Chairman of the Executive Board regularly exchanged views on issues related to strategy, planning, general business development, the risk situation

and risk management, and compliance. A total of eleven meetings of the full Supervisory Board were held in the reporting period. Where necessary, decisions were made by circular resolution between the meetings. Two written resolutions were adopted in this form in fiscal year 2023. The Compensation Committee met three times in the reporting period, of which one meeting was held in person and two as video conferences. The Nomination Committee met nine times, of which six meetings were held in person and three as video conferences. The Audit Committee met eight times, one of which were held in person and seven of which were held by video conference. If necessary, the Supervisory Board also issued approvals by written procedure. Resolutions of fundamental importance were passed either on the basis of relevant documents or after direct discussions with the Executive Board. The attendance rate at the meetings of the Supervisory Board was 99%, and at the meetings of the Audit Committee, Compensation Committee and the Nomination Committee likewise 100% in each case. The following table discloses individualized participation.

Supervisory Board Members	Supervisory Board/ Meetings	Supervisory Board/ Attendance Rate	Audit Committee	Remuneration Committee	Nomination Committee
	Videoconf.: 5 Presence: 5		Videoconf.: 7 Presence: 1	Videoconf.: 2 Presence: 1	Videoconf.: 3 Presence: 6
Prof Dr Wolfgang Maennig (Chairman) until 7 June 2023	6/6	100%			
Dr Andreas Eckert (Chairman) since 7 June 2023	5/5	100%			
Prof Dr Helmut Grothe (Deputy Chairman)	11/11	100%	8/8		
Paola Eckert-Palvarini	10/11	91%			
Dr Edgar Löffler	11/11	100%		3/3	9/9
Frank Perschmann	11/11	100%		3/3	9/9
Albert Rupprecht	11/11	100%	8/8		
Total		99%	100%	100%	100%



DR ANDREAS ECKERT
Chairman of the Supervisory Board

KEY TOPICS ADDRESSED BY THE SUPERVISORY BOARD

The following key topics formed the focus of the individual Supervisory Board meetings:

At the meeting on 24 January 2023, the Executive Board mainly reported on the preliminary key figures for the fiscal year 2022, the economic situation and the current status of major projects. The Supervisory Board also discussed the declaration on compliance submitted within the framework of the Corporate Governance Code. Furthermore, the sustainability report was discussed.

The main subject of the meetings on the 23 and 29 March 2023 was the review of the annual financial statements and the combined management report for the Group and the company as well as the remuneration report. In addition, the Executive Board informed about the status of current projects. In addition, the company's risk report, which describes the most important risk positions and risk management in the Group, and the agenda for the 2023 Annual General Meeting were approved. In view of the further development of the company, the Supervisory Board discussed a change of legal form to a European Company (Societas Europaea, SE) and decided to propose a change of legal form to the Annual General Meeting.

The meetings on May 12 and 19, 2023 focused on the reorganization of the Executive Board announced in December 2022 and the associated Executive Board appointments.

The two meetings on June 7, 2023 focused in particular on the course of business and preparations for the Annual General Meeting as well as the election of the new Chairman of the Supervisory Board.

At the Supervisory Board meeting on July 4, 2023, the Supervisory Board primarily discussed the development of the subsidiary Pentixapharm AG under capital market and corporate law as well as possible indications for Ga-68 CXCR4.

The meeting on August 4, 2023 mainly focused on the refinancing of Pentixapharm AG and the ongoing business and projects.

The meeting on October 20, 2023 focused on the presentation and approval of the budget for financial years 2024–2028 and the presentation of the preliminary business figures for the third quarter of 2023. The discussions focused on the strategic direction of the Medical and Isotope Products segments and Pentixapharm. Against the backdrop of a focus on core competencies, the Executive Board presented the Supervisory Board measures for a possible split-off of Pentixapharm AG. In addition, a training session was held at the production site in Braunschweig focusing on the “Production of radiopharmaceuticals under GMP conditions”, and following a detailed discussion of corporate governance issues, the Executive Board and Supervisory Board also approved the updated declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG). Another topic was the annual self-assessment of the Supervisory Board.

At its meeting on November 14, 2023, the Supervisory Board concentrated in particular on the establishment of a 50:50 joint venture with the Chinese pharmaceutical company DongCheng Pharma (DC Pharma) at the Jintan site (China).

Other key topics included personnel changes in the management team, such as the resignation of Dr Hakim Bouterfa from the Executive Board of Eckert & Ziegler AG and the planned move of the founder and Chairman of the Supervisory Board of Eckert & Ziegler AG, Dr Andreas Eckert, to the Executive Board of Pentixapharm AG in spring 2024.

COMMITTEE ACTIVITIES

Remuneration Committee

The members of the Remuneration Committee are:

- Dr Edgar Löffler
- Frank Perschmann

The Remuneration Committee met three times in the reporting period and focused in particular on the Executive Board contracts and the review of bonus and profit-sharing entitlements. The committee drew up an external and internal comparison of the appropriateness of Executive Board remuneration. It reviewed the remuneration report and recommended that the Supervisory Board approve it.

Audit Committee

The members of the Audit Committee are:

- Albert Rupprecht (Chairman)
- Prof Dr Helmut Grothe

The Audit Committee meets the requirements of Arts. 100(5) and 107(4) sentence 3 AktG, according to which at least one member must have expertise in the field of accounting and at least one other member must have expertise in the field of auditing, and according to which the members as a whole must be familiar with the sector in which the Company operates.

The Audit Committee met eight times in the financial year 2023. The meetings focused in particular on monitoring the accounting process and on issues relating to the effectiveness of the internal control system and its further development, the effectiveness of the risk management system, and the internal audit system.

The individual meetings of the Audit Committee also focused on the following topics:

At its meeting on January 18, 2023, the Audit Committee dealt with the preparatory work for the annual financial statements and the consolidated financial statements. It also focused on transactions with related parties and companies.

The meeting on February 17, 2023 focused on the annual financial statements, the consolidated financial statements and the remuneration report. The committee also dealt with the quality of the audit and the audit priorities for the annual financial statements. Another topic was the reporting in the management report with regard to the internal control system (ICS) and risk management system (RMS).

In addition to the annual and consolidated financial statements, the meeting on March 1, 2023 focused on the invitation to tender for the auditor to audit the 2023 financial year and the update of the declaration of compliance with regard to the ICS and RMS during the year.

At the meeting on March 16, 2023, the Audit Committee again dealt with the ICS and RMS as well as the dependency report, the valuation of intangible assets and the taxonomy.

The meeting on July 5, 2023 focused on the quality assessment of the audit, preparatory measures for the 2023 annual financial statements with the new auditor and the review and further development of the RMS.

At its meeting on August 25, 2023, the Audit Committee dealt in particular with the preparation of the 2023 annual financial statements, the relevant audit topics and the taxonomy. Other topics included the framework for non-audit services and the further development of the RMS, particularly with regard to an aggregated risk analysis, as well as training topics.

During the meeting on November 8, 2023, the auditor essentially reported on the status of the preliminary audits for the 2023 annual financial statements, with a particular focus on the planned split-off of Pentixapharm AG.

At the meeting on December 14, 2022, the Audit Committee dealt among other things with the independence of the auditor, further results of the preliminary audit, and the focus and schedule of the audit of the annual financial statements. Another topic of the meeting was the evaluation of the ICS.

In addition, the members of the Audit Committee regularly attended training sessions. In the reporting period, training focused on the topics of sustainability and risk analysis. These included, in particular, the regulatory requirements of CSRD/ESRS, materiality analysis and taxonomy reporting. In the area of risk analysis, extensive and practice-oriented training was provided on scenario analysis, Monte Carlo simulation and risk aggregation with the aim of using the results of a simulation to weigh up risk and return and carry out a risk-appropriate assessment.

Nomination Committee

The members of the Nomination Committee are

- Dr Edgar Löffler
- Frank Perschmann

The **Nomination Committee** held nine meetings in 2023. It dealt in detail with the restructuring of the Executive Board as of June 2023 and the changes to the Supervisory Board. In the second half of the year, the Nomination Committee worked on the termination of the Executive Board contract with Dr Hakim Bouterfa. In addition, a plan was initiated for the development of the Executive Board from 2025 onwards and the following years.

The Supervisory Board was kept regularly and comprehensively informed about the work of the committees.

CORPORATE GOVERNANCE PRINCIPLES

In the period under review, the Supervisory Board continued to deal with the further development of the standards of good and responsible corporate governance, taking into account the German Corporate Governance Code as amended on April 28, 2022. On December 3, 2023, the Executive Board and the Supervisory Board issued a new Declaration of Conformity with the German Corporate Governance Code. Additional details regarding Corporate Governance are available in the Group's Corporate Governance Report, which is published on the Group's website in connection with the Declaration on Compliance. In the period under review, there were no conflicts of interest among members of the Supervisory Board.

EFFICIENCY REVIEW

The Supervisory Board regularly evaluates how effective it is as a body as a whole and how its committees perform their duties. A comprehensive review was conducted in September 2023. The results were discussed by the Supervisory Board in October 2023. No significant deficiencies were identified. The next review is planned for the current financial year.

TRAINING AND CONTINUING EDUCATION

The members of the Supervisory Board are responsible for the training and continuing education measures required for their tasks, such as on changes in the legal framework, and are supported in this by the company. As part of specific training, an in-house information event on the manufacture of radiopharmaceuticals under GMP conditions was held in the reporting year. In addition, the Supervisory Board regularly informed itself about market developments in nuclear medicine, for example by attending congresses and trade fairs.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS 2023

The annual financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial statements of the Eckert & Ziegler Group, and the combined management report were audited, together with the accounting system, by the auditors appointed by the Annual General Meeting for fiscal year 2023, Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, Germany. The auditor has concluded that all legal requirements have been met and has granted an unqualified auditor's opinion. Furthermore, the auditor has concluded that the Executive Board has implemented the measures incumbent upon it pursuant to Section 91 (2) of the German Stock Corporation Act (Aktiengesetz, AktG) regarding the establishment of a risk-monitoring system in a suitable form and that this system is suitable for the early detection of developments that endanger the continued existence of the company as a going concern. In regard to the report presented by the Executive Board on the company's relationships to affiliated enterprises in accordance with Section 312 AktG (affiliated company report), the auditor has confirmed that the statements made in the report are correct and that the payments made by the company for the legal transactions listed in the report were not inappropriately high.

The annual financial statements, including the combined management report, the affiliated company report and the auditor's audit report, were submitted to the Supervisory Board. A representative of the auditor took part in the Supervisory Board's balance-sheet meeting on 19 March 2024 and reported on the key findings of the audit. The Supervisory Board acknowledged and approved the auditor's results.

Based on its subsequent examination, the Supervisory Board raises no objections against the audited annual financial statements, the combined management report and the affiliated company report, including the Executive Board's concluding statement. The Supervisory Board therefore approved the annual financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and the consolidated financial statements of the Eckert & Ziegler Group. The annual financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG are thereby adopted. The Supervisory Board concurs with the Executive Board's recommendation* on the appropriation of net profit.

PERSONNEL CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Prof Dr Wolfgang Maennig stepped down from the Supervisory Board of Eckert & Ziegler AG at the end of the Annual General Meeting on June 7, 2023. Since 7 June 2023, the company's founder, Dr Andreas Eckert, has been the new Chairman of the Supervisory Board. At the end of November 2023, Dr Andreas Eckert announced that he would resign from the Supervisory Board in spring 2024 in order to join the Executive Board of Pentixapharm AG and support the announced split-off. In light of the planned split-off of Pentixapharm AG, Dr Hakim Bouterfa, responsible for clinical development, left the Executive Board of Eckert & Ziegler AG at the end of December 31, 2023.

ACKNOWLEDGMENT

The Supervisory Board would like to thank the Executive Board and all employees for their outstanding performance in the financial year 2023.

Berlin, March 2024
For the Supervisory Board



DR ANDREAS ECKERT
Chairman of the Supervisory Board

**Following a comprehensive review, the Executive Board has submitted to the Supervisory Board an amended proposal for the appropriation of net profit compared to the proposal presented in the notes to the annual financial statements. This is the Executive Board's proposal for the appropriation of net profit in the amount of € 0.05 dividend per dividend-bearing share. The Supervisory Board has analyzed this proposal and agreed with this amended resolution proposal, so that reference is made in this report of the Supervisory Board to this amended proposal of the Executive Board for the appropriation of net profit. An announcement regarding this resolution on the appropriation of net profit was published on March 19, 2024.*

SUPERVISORY BOARD



MILESTONES 2023

RESERVATION AGREEMENT FOR ACTINIUM-225 WITH PHARMALOGIC

Under the agreement, PharmaLogic will have access to Eckert & Ziegler's high-purity, carrier-free Actinium-225 for the labeling of radiopharmaceuticals for research and development and commercial purposes.



COOPERATION WITH REFLEXION MEDICAL AND TELIX PHARMACEUTICALS

The collaboration aims to develop and market Satellite Hot Labs for the radioactive labeling of BioGuides. These are to be used in the radiotherapy of prostate cancer and other solid tumors.

AWARDED WITH TRAINING PRIZE

Eckert & Ziegler was awarded the Berlin-Pankow 2023 training prize for outstanding training quality.

LAUSANNE UNIVERSITY HOSPITAL INVESTIGATES USE OF PENTIXAFOR IN CARDIO-VASCULAR SETTING

The Lausanne University Hospital (CHUV) has reported the initial dosing of a patient in a phase II clinical study investigating the sensitivity of PENTIXAFOR (Boclatixafotide) in a cardiovascular and inflammatory setting. It is the first time that Eckert & Ziegler's proprietary CXCR4-compound is used in an advanced clinical test in a non-cancer indication, opening the way for a broader use of PENTIXAFOR outside of oncology.



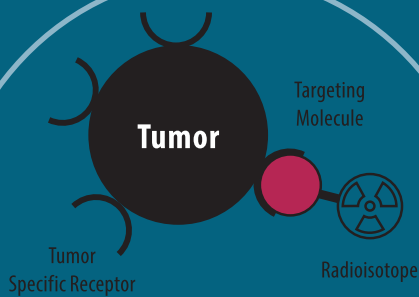


GERMAN-CHINESE JOINT VENTURE

The joint venture with DongCheng Pharma (DC Pharma) strengthens Eckert & Ziegler's competitive position in radioisotope production in the growing Chinese market.

ECKERT & ZIEGLER TO SUPPLY ABLAZE PHARMACEUTICALS WITH LUTETIUM-177

Ablaze Pharmaceuticals has contracted Eckert & Ziegler to supply carrier-free Lutetium-177 (n.c.a. ^{177}Lu) for clinical trials.



PENTIXATHER IN PHASE I/II TRIAL

The first patient is being treated in a dose-finding phase I/II clinical trial with yttrium (^{90}Y) and anditixafortide (PentixaTher) at Essen University Hospital.



PHARMALOGIC SIGNS RESERVATION AGREEMENT FOR ACTINIUM-225

The agreement gives PharmaLogic access to Eckert & Ziegler's high-purity, non-carrier-added Actinium-225 for the labeling of radiopharmaceuticals for research and development and commercial use.



CONTRACT FOR THE SUPPLY OF LUTETIUM-177 WITH POINT BIOPHARMA

Conclusion of a contract for the supply of carrier-free lutetium-177 (n.c.a. ^{177}Lu). The agreement has a term of ten years with a total sales volume of more than € 100 million.

CLINICAL TRIAL OF PENTIXAPHARM'S PRIMARY ALDOSTERONISM LEAD CANDIDATE

Following clinical investigations of hypertension specialists in the Netherlands, France, the United States, and China, the Monash Medical Center (Monash Health) and Hudson Institute in Melbourne, Australia, have started an investigator initiated clinical study with Pentixapharm's novel lead compound for the imaging of aldosterone-producing adrenal adenomas.



DRUG MASTER FILE FOR LU-177 N.C.A.

Eckert & Ziegler has successfully submitted a Type II Drug Master File (DMF) with the U.S. Food and Drug Administration for Lutetium (¹⁷⁷Lu) chloride solution (containing no-carrier-added radioisotope Lutetium-177), an active pharmaceutical ingredient. Drug manufacturers can now refer to this DMF when developing new radiopharmaceuticals for the U.S. market and use the Lutetium (¹⁷⁷Lu) chloride solution in clinical trials of drugs.

DIVIDEND

The Annual General Meeting on June 7, 2023 resolved a dividend of € 0.50 (previous year: € 0.50) per dividend-bearing share.

ACTINIUM-225 FOR POINT BIOPHARMA

Eckert & Ziegler and a subsidiary of POINT Biopharma Global Inc. have signed an agreement on the supply of Actinium-225 (non-carrier-added Ac-225).

Eckert & Ziegler will provide predetermined amounts of GMP grade Ac-225 to POINT for use in the development of POINT's pipeline of next generation Ac-225-based radioligands.



PENTIXAPHARM RECEIVES BFARM-CLEARANCE

Pentixapharm receives the approval from the German Federal Institute for Drugs and Medical Devices (BfArM) to start its open-label dose escalation study to evaluate PentixaTher. The Yttrium-90 labelled CXCR4-compound PentixaTher will be tested as a radiotherapeutic against recurrent and/or refractory lymphoma of the central nervous system.

MANUFACTURING AUTHORIZATION FOR LUTETIUM-177

For the radioisotope Lutetium-177 (non-carrier-added Lu-177) in GMP grade, the German authority has granted the manufacturing authorization. The approval is the basis for the marketing authorization of Lutetium-177 as a drug, but also for use of this radioisotope as a starting material for the manufacture of radiopharmaceuticals.



ENVIRONMENTAL APPROVAL FOR PRODUCTION SITE JINTAN (CHINA)

Eckert & Ziegler's fully owned subsidiary Qi Kang Medical Technology Ltd. (QKM) has received the authorization for its Environmental Impact Assessment (EIA) from the Department of Ecology and Environment of Jiangsu Province in China. The responsible authorities approved QKM's planned construction of a radioisotope production facility.



CHANGE OF LEGAL FORM TO EUROPEAN STOCK CORPORATION (SE)

The Executive Board and Supervisory Board have decided to prepare the conversion of the company into a European Company (Societas Europaea, SE) by changing its legal form.

FOCUS ON CORE COMPETENCIES AND SPLIT-OFF OF PENTIXAPHARM AG

In view of the enormous growth forecast for active pharmaceutical ingredients and the planned focus on core competencies, the Supervisory Board gives its approval to the Executive Board to examine and prepare a spin-off of up to 100 percent of the shares in Pentixapharm AG.

REORGANIZATION IN THE EXECUTIVE AND SUPERVISORY BOARD

As of the end of the Annual General Meeting on June 7, 2023, the founder and CEO Dr Andreas Eckert has moved to the Supervisory Board. The new Chairman of the Executive Board is the former Chief Sales Officer of the Medical segment, Dr Harald Hasselmann. Newly appointed to the Executive Board and responsible for the Isotope Products segment is Frank Yeager, the longtime head of this California based business unit.



Dr Harald Hasselmann
Chairman of the Executive Board
Segment Medical



Jutta Ludwig
Member of the Executive Board
Asia Business



Frank Yeager
Member of the Executive Board
Segment Isotope Products



Dr Hakim Bouterfa*
Member of the Executive Board
Clinical Development

*until 31 December 2023

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COMBINED MANAGEMENT REPORT

COMBINED MANAGEMENT REPORT

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1. GROUP FUNDAMENTALS

1.1 BUSINESS MODEL OF THE GROUP

The Eckert & Ziegler Group (Eckert & Ziegler) is an international manufacturer of isotope technology components for medical, scientific and industrial applications. In addition to Eckert & Ziegler Strahlen- und Medizintechnik AG, a listed German stock corporation with its registered office in Berlin, the Group comprises 43 additional companies, including minority interests. The Group is managed by the Executive Board, which is supported in its decisions by the advice of the Extended Executive Board, which consists of the Executive Board of Eckert & Ziegler AG and the heads of select business divisions.

The company's core competencies include the handling and processing of isotope technology materials in specially equipped and approved production facilities in Europe, the United States, Brazil and Argentina. Eckert & Ziegler develops, produces and sells medical devices for cancer therapy as well as radionuclides for nuclear medicine applications and synthesis equipment for the production of radiopharmaceuticals. Plant engineering and the retrieval of isotope technology waste from hospitals and research institutions round out the portfolio.

There are comparatively few providers in the international markets where Eckert & Ziegler operates. As its competitors serve only specific market niches, Eckert & Ziegler has no direct competitor offering the same range of products. The market is characterised by high barriers to market entry due to licensing requirements as well as rapid technological progress, considerable research expenditure and constant new scientific discoveries. This market is regulated by German federal, state and local authorities. These regulatory authorities include the Regional Office for Health and Social Affairs Berlin (LAGeSo), the Technical Monitoring Agency (TUV Nord CERT GmbH, Essen), the Federal Institute for Drugs and Medical Devices (BfArM), and the corresponding foreign institutions, such as the US Food and Drug Administration (FDA) or the Nuclear Regulatory Commission (NRC). As a result, the Group is directly affected by changes in technology and in products used in cancer treatment and for nuclear medical imaging, by government regulations related to the industry in which Eckert & Ziegler operates, and by the general environment within the health care sector.

The operating business is managed through subsidiaries in the two operational segments Medical and Isotope Products, which target different customer groups with their various product groups. The Other segment includes the holding company, which pools internal group services such as Radiation Protection, Legal, Accounting, IT and HR, as well as Pentixapharm AG and its subsidiary Myelo Therapeutics GmbH. In October 2023, the Supervisory Board of Eckert & Ziegler AG gave its approval to the Executive Board to prepare a spin-off of up to 100 per cent of the shares in Pentixapharm AG. Pentixapharm AG and its subsidiary Myelo Therapeutics GmbH form the division that comprises the Group's clinical assets. The focus here is on the development of innovative diagnostic and therapeutic radiopharmaceuticals. This division will be discontinued and the spin-off is being prepared. In accordance with the provisions of IFRS 5, the non-current and current assets and liabilities of Pentixapharm AG and Myelo Therapeutics GmbH are recognised as discontinued operations. In view of the enormous growth forecast for active pharmaceutical ingredients, Eckert & Ziegler intends to pool its financial resources to expand its global manufacturing capacities and concentrate on its core competences in order to further expand its position as a leading supplier of radioisotopes for the production of radiopharmaceuticals.

The Isotope Products segment manufactures isotope technology components for imaging techniques, scientific applications, quality assurance and industrial measurement purposes. In addition, the segment offers a variety of services: taking back of radiation sources from customers and receiving low-level isotope technology waste, for example, from hospitals and other institutions, processing and conditioning of radioactive waste, recycling of isotope technology materials, transport and logistics, provision of service technicians for inspection, maintenance and commissioning of irradiation facilities, professional disposal of waste and restoration. With the acquisition of the Argentinian company Tecnonuclear S.A., the product range now includes SPECT diagnostics, consisting of technetium-99 generators and a portfolio of related biomolecules.

The segment's most important locations are in Valencia and Atlanta (USA), São Paulo (Brazil), Buenos Aires (Argentina), Prague (Czech Republic), and Braunschweig, Dresden and Leipzig (Germany).

In the Medical segment, the majority of revenue is attributable to pharmaceutical-grade radioactive substances that fulfil diagnostic or therapeutic functions as part of a drug and to drug products. The most important items include the $^{68}\text{Ge}/^{68}\text{Ga}$ radionuclide generator GalliaPharm[®], which enables the radioactive labelling of carrier molecules for the purpose of the sensitive diagnosis of various types of cancers, and the therapeutic isotopes yttrium-90, lutetium-177 and phosphorous-23. Yttrium-90 has a number of uses, such as in the production of radioactive embolizers for the treatment of liver tumours.

With its own GMP facilities, the Medical segment offers a variety of radiopharmaceutical services under GMP and cGMP conditions, all from a single source. These include complete early-development services, including process development

and scale-up, CMC manufacturing and packaging, product approval and stability programmes. As a contract radiopharmaceutical manufacturer, Eckert & Ziegler is capable of providing small batches for phase I, II or III clinical trials as well as large batch sizes for commercial use.

In addition, the segment markets products designed for radiation therapists, a group of doctors that is specialised in treating cancer through irradiation. The two most important products are small implants for the treatment of prostate cancer based on iodine-125 ("seeds") and eye applicators based on ruthenium-106 and iodine-125 for the treatment of uveal melanomas (eye cancer).

Finally, the Medical segment includes a project business directed at international medication developers, which provides them with support in the development and approval of new radiopharmaceuticals, the manufacture of test batches as well as the development of production facilities and the associated infrastructure. The business is grouped around a plant engineering department located in Dresden, whose range of products is supplemented by laboratory equipment, radio-synthesis equipment, quality-control equipment, and consumables, as well as a wide array of services.

The segments' markets and various products are only loosely connected with each other. Each has its own cycles and distinctive characteristics. There are also national differences in the overall conditions. This is particularly the case with medical products whose intensity and dynamics of demand are influenced by the level of services provided by national healthcare systems and the presence of local competitors.

In the medium term, the Group is expected to continue to grow sustainably and profitably. The Group intends to achieve this on the one hand through organic growth, based for example on the (continued) development of new and existing products, or by entering into new geographical markets. On the other hand, the Group seeks opportunities for profitable acquisitions and aims to generate revenue by improving efficiency.

1.2 BUSINESS MODEL OF ECKERT & ZIEGLER STRAHLEN- UND MEDIZINTECHNIK AG

Eckert & Ziegler Strahlen- und Medizintechnik AG operates as a financial and management holding company and as a strategic development partner for its subsidiaries; it does not conduct its own business operations. The main sources of revenue are therefore service fees, interest and profits distributed by or transferred from the subsidiaries.

1.3 MANAGEMENT SYSTEM

The Executive Board manages the Group's production and revenue companies. It sets the course for strategic development, makes important decisions with the managing directors, and monitors subsidiaries' achievement of targets.

The long-term business plan for the Group is drawn up for five financial years and is updated annually on the basis of the previous year's figures. The annual individual business plan is bottom-up and is based on the business plans for each business division prepared by the respective managing directors together with the Executive Board. Detailed targets are formulated with regard to predefined control parameters and key performance indicators for the individual production and revenue companies. These individual business plans take into account estimates regarding the development of the industry.

In the fourth quarter of each financial year, the Executive Board submits to the Supervisory Board a detailed annual Group business plan for the following financial year. Ongoing monitoring of the budget variables takes place as part of central quarterly reporting.

The Controlling segment prepares reports for the business divisions and monitors performance in relation to planning, with particular focus on the key performance indicators of revenue and annual net income. The controllers report directly to the Group Executive Committee on a quarterly basis with a structured financial report on quantitative and qualitative developments in the reporting period. From the 2024 financial year, "EBIT before special items from continuing operations" will be used as a second performance indicator in addition to revenue instead of net income for the year. Focussing on these two parameters provides a better assessment of the operating performance of the core business without special items, i.e. without effects that are special in terms of their nature and amount for the management of the Group. These include financial and currency results, losses in accordance with IAS 29 (hyperinflation), acquisition costs, divestments and restructuring. When calculating this key figure, EBIT from continuing operations is increased by extraordinary expenses and reduced by extraordinary income. As a result, the forecast for the 2024 financial year will also be converted to these key performance indicators.

The financial management of the Group largely takes place at the segment level, with some differences in the implementation.

At regular meetings, the Executive Board gathers information about the market situation and sets the course in coordination with managing directors and segment heads. A comprehensive review of the annual business plan is carried out once a year.

1.4 RESEARCH & DEVELOPMENT

Total expenditure for research and development, including capitalised development costs increased from € 8.2 million in the previous year to € 12.2 million in 2023. Most of this is attributable to the companies Pentixapharm AG and Myelo Therapeutics GmbH, which are recognised as discontinued operations. Expenditure on research and development increased from € 5.1 million in the previous year to € 7.9 million in 2023, of which € 4.8 million was capitalised.

The other development costs totalling € 4.3 million (previous year: € 3.2 million) are attributable to the core business. In the Isotope Products segment, they remained at the previous year's level at around € 0.4 million, while expenses in the Medical segment increased by € 1.2 million to € 3.9 million. No development costs were capitalised in these two segments.

In the financial year, an average of 79 employees worked in the development departments across the Group (previous year: 80).

As in the previous year, the contribution to revenue made by products that have been added to the portfolio in the last 5 years is 7%.

The interlocking of the development departments of the business divisions creates synergies. This makes it even easier to implement specific customer requests. For customers' proprietary radiodiagnostics and radiopharmaceuticals, Eckert & Ziegler can offer, for example, all developmental steps: from development of the chemical manufacturing process to production of the process module required for this purpose (cassette) to suitable synthesis equipment that can be used to manufacture the medication in the hospital and dispense it to patients.

1.4.1 MEDICAL SEGMENT

Radiopharma business division

Eckert & Ziegler has entered into a long-term cooperation with the Nuclear Physics Institute of the Czech Academy of Sciences, Ústav jaderné fyziky (UJF), for the production of the alpha emitter actinium-225 (Ac-225). The agreement stipulates that Eckert & Ziegler will provide the UJF research centre with several million euros for investments in equipment and hot cells as well as radium-226 (Ra-226) as a starting material for tests and irradiation. In return, Eckert & Ziegler will receive exclusive access to the production capacities of a pilot plant being built near Prague, as well as co-utilisation rights to process steps being developed for large-scale commercial Ac-225 production.

The Braunschweig site is therefore investing in production processes to make Ac-225 available in drug quality for clinical trials and subsequently for commercial applications.

In view of the planned start of production of Ac-225 in 2024, several supply contracts for this nuclide were concluded with pharmaceutical customers in the past year.

Eckert & Ziegler received GMP manufacturing authorisation for the therapeutic nuclide lutetium-177 (Lu-177) at its site in Braunschweig in 2023 and also submitted a Drug Master File (DMF) to the US Food and Drug Administration (FDA). The company succeeded in concluding a strategically important contract with a well-known pharmaceutical company for the supply of this isotope over a period of 10 years.

The GMP facility built at the Berlin site was technically commissioned and must now be approved by the authorities as a pharmaceutical production facility. It will enable Eckert & Ziegler to offer complete early-development services, including process development and scale-up, CMC development, manufacturing and packaging, product approval and stability programmes. It will also put the company in a position to operate as a contract manufacturer of clinical-standard radiopharmaceutical products for phase I, II and III trials as well as for commercial use.

The production process for the therapeutic nuclide yttrium-90 (Y-90) was further expanded in Wilmington, MA, USA (Greater Boston area).

Eckert & Ziegler is also continuing to invest in the development of a process for the production of ytterbium-176 (Yb-176), an indispensable precursor for the production of Lu-177 that is only available in very small quantities. This production process, which was partly financed by Eckert & Ziegler and developed by Atom Mines LLC (Texas, USA), is intended to resolve the bottleneck and enable Eckert & Ziegler to offer Lu-177 in large quantities to pharmaceutical companies all over the world.

Laboratory Equipment business division

Until now, synthesis devices such as Modular-Lab systems and standardised sterile cassettes for single-dose production have been manufactured for hospitals in particular. In addition to this routine business, new fields of application were opened up for synthesis devices.

For instance, Eckert & Ziegler now builds customised automation solutions for the nuclide labelling of diagnostic and therapeutic radiopharmaceuticals with adapted hardware and software modules on behalf of pharmaceutical and radiopharmaceutical companies.

The company is also further developing the Modular-Lab system so that it can be used as a platform for mRNA synthesis and purification of novel, non-radioactive cancer drugs.

In the reporting period, the transfer of device production for the quality control of radiopharmaceuticals from the USA to the Berlin site was successfully completed and 120 of these devices were manufactured. This corresponds to an increase of around 50% compared to the previous year. The quality control application area for alpha emitters has become increasingly important. The development focus on qualifying the device portfolio for these applications has proven to be the right decision and will be continued. A good market position for these devices, particularly in the USA, will benefit Eckert & Ziegler's business development as a supplier of the promising alpha emitter Ac-225.

Organisational measures were continued in the clean room production area for cassettes in order to meet the requirements of GMP-compliant production of customer-specific cassettes. The company SCINTOMICS Molecular, Applied Theranostics Technologies GmbH has audited and commissioned Eckert & Ziegler Eurotope GmbH as a contract cassette manufacturer. Contract manufacturing for this customer is planned for the long term and is to be expanded by at least one cassette type in 2024.

1.4.2 ISOTOPE PRODUCTS SEGMENT

The Isotope Products business division continued its close relationships with original equipment manufacturers (OEMs) in the field of medical imaging and expanded its product portfolio of SPECT/CT and PET/CT products. Two types of point sources for Siemens have been developed and launched on the market. One of these is an Se-75 source and is used at the Siemens plant for quality control in the manufacture of collimators. The second is an Na-22 source, a modification of an existing source that is compatible with Siemens software. In addition, two Co-57 line sources for Spectrum Dynamics scanners (D-SECT and VERITON) were modified and released for the needs of the Japanese market. Further OEM sources for PET imaging of the brain are in the final testing and design control phase. In response to customer demand, the design of the phantom shield has been improved and a counterweight hinge has been added, making the device much easier and safer to use. These shields are of particular importance for the mobile PET market, as additional shielding is required, especially during road transport.

Due to the geopolitical tensions in Europe and the Middle East and the resulting risk of disruption to the supply chain, the Isotope Products segment continued to see the need to further diversify its sources of supply for key raw materials. This year, the focus was on radioisotopes, but also included non-radioactive components. Ge-68 and Co-57 are essential for the production of PET and SPECT sources for the medical imaging market, which is why additional sources were qualified here in particular. Diversifying the supply chain and reducing the number of sole suppliers for key materials remains a priority.

2. BUSINESS REPORT

2.1 BUSINESS DEVELOPMENT AND NET ASSETS, FINANCIAL POSITION AND FINANCIAL PERFORMANCE OF THE GROUP

2.1.1 Business development of the Group

In 2023, the Eckert & Ziegler Group set a new record with revenue of €246.1 million. Compared to the previous year, revenue increased by €23.8 million or 11%. Adjusted for currency effects, revenue increased by €26.2 million or 12%.

The Radiopharmaceuticals business remains the biggest growth driver, with growth of 28% to €85.0 million across all segments.

According to estimates, this market for nuclear medicine will continue to grow many times over in the coming years. In view of this strong growth forecast for active pharmaceutical ingredients, which is already reflected in revenue, Eckert & Ziegler intends to pool its financial resources to expand its global manufacturing capacities. In October 2023 the Executive Board and Supervisory Board of Eckert & Ziegler AG therefore decided to dispose of the Group's clinical assets. The Supervisory Board has given its approval to the Executive Board to examine and prepare a spin-off of up to 100 per cent of the shares in Pentixapharm AG. Eckert & Ziegler is concentrating on its core competences in order to further expand its position as a leading supplier of radioisotopes for the production of radiopharmaceuticals.

Eckert & Ziegler brought together numerous renowned experts in Boston in June 2023 for the first Boston Radionuclide Theranostics Forum. Potential and existing partners as well as key players in the industry discussed the central topics of the rapidly developing radiotheranostics market. The forum focussed on discussions about solutions to challenges in the areas of supply chains, upscaling, patient access and the latest theranostic concepts.

In addition to the steadily developing core business, contracts or reservation agreements were concluded with various customers over the course of the year for the supply of the latest radioisotopes in Eckert & Ziegler's portfolio, lutetium-177 and actinium-225. One example of this is a contract signed in September with POINT Biopharma Global Inc. for the supply of no carrier added lutetium-177 (n.c.a. ¹⁷⁷Lu). The agreement has a term of ten years with total revenue volume of more than €100 million.

The revenue target of €230 million expected in the forecast report for 2023 was exceeded.

Revenue development with external customers in detail

At €130.9 million, revenue in the Isotope Products segment was on a par with the previous year (previous year: €131.4 million), meaning that the segment remains the Group's largest segment in terms of revenue. In the Medical segment, revenue increased by €24.3 million or 27% to €115.2 million compared to the previous year.

With revenue of €112.0 million (previous year: €98.6 million), the Americas remain the most important revenue region in the 2023 financial year. In terms of consolidated revenue, it contributed 46% to revenue (previous year: 44%). The largest single national market for Eckert & Ziegler products in 2023 was once again the United States, where goods worth €94.2 million were sold compared to €76.3 million in the previous year. Revenue in Europe also rose by €2.6 million to €97.6 million, with the share of consolidated revenue amounting to 40% (previous year: 43%). Germany remained the most important European market with €32.7 million (previous year: €39.8 million).

While sales in the Medical segment rose in Europe (7%), sales in the Isotope Products segment in the region remained just below the previous year's level (-1%). In the Americas, the Group recorded growth totalling 14%, with growth distributed across the segments as follows: Medical 49%, Isotope Products -1%. Business in Asia grew by 37% across all segments compared to the previous year, making it the fastest growing region.

Sales are mainly invoiced in EUR. Total EUR revenue accounted for 54% (previous year: 55%), USD revenue 38% (previous year: 36%) of consolidated revenue.

2.1.2 Financial performance of the Group

At €26.8 million, the consolidated net income in the reporting period was €2.9 million or 10% below the previous year's figure. The share of earnings attributable to shareholders of Eckert & Ziegler AG amounts to €26.3 million, which corresponds to €1.26 per share. Of the consolidated net profit, a loss of €3.7 million (previous year: €1.6 million) was attributable to discontinued operations.

The main growth driver remains the strong business with pharmaceutical radioisotopes, leading to an overall increase in the gross margin of €9.5 million to €116.3 million. Selling expenses rose by €1.6 million or 7% to €24.5 million, while general administrative expenses increased by €3.9 million, from €35.4 million in the previous year to €39.3 million. Other operating income fell by €2.4 million to €3.0 million; in the previous year, income of €1.1 million was recognised

from the deconsolidation of Wolf-Medizintechnik GmbH. Other operating expenses increased by €2.1 million to €8.4 million. Overall, the operating result of €47.0 million was on a par with the previous year (previous year: €47.0 million).

Compared to the previous year, currency effects had a negative impact on earnings of €1.7 million more than in the previous year; the loss according to IAS 29 (hyperinflation) decreased by €1.4 million to €1.0 million (previous year: €2.4 million). Results from the valuation of financial instruments fell by €0.8 million to €-0.4 million. As a result, EBIT fell by €1.3 million to €45.5 million.

Significantly higher interest expenses reduced net interest income by €1.6 million compared to the previous year. Earnings before taxes fell by 7% from €45.3 million to €42.3 million. Income tax expenses fell from €13.9 million to €11.8 million. Overall, consolidated net income from continuing operations fell by €0.9 million to €30.5 million in the year under review.

Of the consolidated net income from continuing and discontinued operations, €0.5 million (previous year: €0.5 million) is attributable to non-controlling interests, so that the share of earnings attributable to the shareholders of Eckert & Ziegler AG fell from €29.3 million in the previous year to €26.3 million in the year under review.

2.1.3 Development of the segments

Isotope Products segment

The segment's main product groups are:

- (1) Radiation sources
- (2) Tc-99m generators and consumables
- (3) Trade in raw isotopes and other products
- (4) Services
- (5) Disposal of low-level isotope technology waste

The important first product group involves isotope technology components for imaging techniques, scientific applications, quality assurance and industrial measurement purposes. Eckert & Ziegler has long possessed a solid market position with a significant share of world market volume. Radiation sources for medical quality assurance continue to grow.

The second main group comprises the Argentinian nuclear medicine specialist Tecnonuclear S.A., a manufacturer of technetium-99 generators and a portfolio of related biomolecules. Together with the generators, these generic tracers are often also referred to as SPECT diagnostics. Sales of Tc-99m generators and consumables for single-photon emission computed tomography (SPECT) amount to just under €6.9 million in 2023.

The third main product group makes use of Eckert & Ziegler's purchasing leverage to resell raw isotopes to third parties at a profit.

The last two main product groups are services such as taking back sources from customers and accepting low-activity isotope technology residues, conditioning radioactive waste, recycling isotope technology material, transport and logistics, arranging service technicians for the inspection, maintenance and commissioning of irradiation facilities, professional disposal of waste and dismantling. Business development may be subject to high fluctuations due to project-related services offered. Revenue from services is mainly based on individual orders and non-recurring repeat orders.

The Isotope Products segment achieved revenue of €140.0 million, an increase of €3.4 million (2%) compared to the previous year. While revenue with external customers was slightly below the previous year's level, internal Group revenue grew by €3.9 million.

The gross margin totalled €60.3 million (previous year: €57.6 million), which corresponds to an increase of €2.7 million or 5% compared to 2022. In relation to revenue, the margin developed only marginally and grew from 42% to 43%; this increase is essentially due to the product mix as well as annual price adjustments and volume effects. Inflation adjustments in the hyperinflationary country of Argentina reduced earnings by €1.0 million (previous year: €2.4 million).

EBIT in the year under review totalled €23.7 million, compared to €21.5 million in the previous year. Interest expenses increased by €0.5 million compared to the previous year. Tax expenses totalled €6.1 million (previous year: €5.7 million), which corresponds to a tax rate of 27%.

The segment generated earnings before minority interests of €16.3 million, which corresponds to an increase of €1.3 million compared to 2022.

Medical segment

The segment's main product groups are:

- (1) Longer-lived radioisotopes for pharmaceutical applications
- (2) Early-development services for radiopharmaceutical products
- (3) Radiosynthesis equipment and supplies
- (4) Quality control equipment
- (5) Implants for the treatment of prostate cancer "seeds"
- (6) Therapeutic accessories
- (7) Ophthalmological products
- (8) Other therapeutic products and plant engineering

In the Medical segment, revenue, including revenue with other segments, increased by € 24.3 million or 27% to € 115.6 million. The rise was driven, in particular, by strong demand for radiopharmaceuticals.

However, a disproportionately high increase in the cost of sales had a negative impact on the segment's gross margin, which rose by € 6.5 million to € 55.1 million. Continuous growth is spurring the company to make further investments in production infrastructure and human capital. Costs in connection with investments already made in the future, in particular depreciation and amortisation and personnel costs, are already having a negative impact on earnings.

Overall, selling and administrative expenses were € 2.5 million or 12% higher than in the previous year. At € 24.5 million, EBIT was around € 1.0 million below the previous year's result.

In particular, negative currency effects totalling € 1.8 million and the deconsolidation of Wolf-Medizintechnik GmbH (earnings contribution of € 1.2 million in 2022) had a negative impact on income. In addition, interest expenses increased by € 0.7 million. Tax expenses totalled € 6.1 million, which corresponds to a tax rate of 26%.

The Medical segment achieved a result of € 17.2 million this year. This corresponds to an increase of 0.9 million or 6%.

Other segment

The holding company Eckert & Ziegler Strahlen- und Medizintechnik AG finances itself through services provided, such as accounting, personnel administration, IT and radiation protection; each of these is charged on to the subsidiaries plus a profit surcharge. In addition, the holding company makes loans where necessary and earns interest income from them. The holding company also receives income from profit transfers and distributions from the subsidiaries.

In addition to the holding company, the Other segment also includes the discontinued operations of the Group's clinical assets. These include Pentixapharm AG and Myelo Therapeutics GmbH.

Overall, earnings before non-controlling interests fell by € 5.1 million to € -6.7 million in the year under review compared to the previous year, of which € 3.7 million (previous year: € 1.6 million) was attributable to discontinued operations.

The founder and Chairman of the Executive Board Dr Andreas Eckert and the Chief Operating Officer of the Medical segment, Dr Lutz Helmke, stepped down from their positions at the Annual General Meeting at the beginning of June 2023. Dr Harald Hasselmann took over the duties of both as well as the chairmanship of the Executive Board. Franklin Yeager, the long-standing head of the Isotope Products segment, who is based in California, was newly appointed to the Executive Board and is responsible for the Isotope Products segment.

In connection with the planned spin-off of Pentixapharm AG, there was a further change to the Executive Board of Eckert & Ziegler AG at the end of the year. The Executive Board member responsible for clinical development, Dr Hakim Bouterfa, left the Executive Board of Eckert & Ziegler AG at the end of the year.

2.1.4 Financial position of the Group

The result for the period before minority interests for the continuing operations is € 0.9 million below the previous year's result at € 26.8 million.

Despite the slight decrease in the result for the period, the cash flow from operating activities increased by € 7.2 million to € 45.2 million and almost corresponds to the result for 2023 increased by depreciation and amortisation.

The cash outflow from investing activities of continuing operations totalled € 37.3 million (previous year: € 37.0 million). Investments in property, plant and equipment and intangible assets increased from € 27.1 million in the previous year to € 33.9 million. € 7.6 million was spent at Qi Kang Medical Technology in Jintan, China, which was deconsolidated as at 31 December 2023. € 4.7 million was spent on acquisitions in the year under review (payment to the former shareholders of Tecnonuclear SA, Argentina), compared to € 10.8 million in the previous year (acquisition of the shares in Tecnonuclear SA and Myelo Therapeutics GmbH). This was offset by cash inflows from the sale of shares in consolidated companies totalling € 0.5 million (previous year: € 0.8 million) and income from investments amounting to € 0.6 million

(previous year: € 1.0 million). In the previous year, cash inflows from the sale of securities totalling € 1.2 million and cash outflows for the acquisition of shares in companies consolidated at equity amounting to € 2.2 million (Atom Mines LLC, USA) were recorded.

The cash outflow from financing activities of continuing operations increased by € 9.9 million to € 21.1 million (previous year: € 11.2 million) compared to the previous year. The taking out of loans resulted in a cash inflow of € 17.2 million (previous year: € 24.2 million). This contrasted with higher cash outflows of € 15.8 million for the repayment of loans and lease liabilities (previous year: € 12.2 million). The Annual General Meeting held in June 2023 resolved to issue a dividend of € 0.50 (previous year: € 0.50) per share. The cash outflow for the dividend payment to the shareholders of Eckert & Ziegler AG and distributions for third-party interest therefore amounted to € 10.4 million in the year under review (previous year: € 10.7 million).

In addition, the relatively stronger euro (particularly in relation to the USD) led to a currency-related increase in cash and cash equivalents by € 0.4 million (previous year: € 1.5 million increase). Cash and cash equivalents as at 31 December 2023 amounted to € 68.0 million. Compared to the end of 2022, this corresponds to a decrease of € 14.7 million, of which € 9.7 million resulted from the reclassification to discontinued operations.

2.1.5 Net assets of the Group

Due to the order-related offsetting of open orders valued "at percentage of completion" (POC) with the advance payments received, which was recognised for the first time in 2023 under the items "Contract assets" and "Contract liabilities", there was a slight balance sheet contraction. The 2022 balance sheet was adjusted accordingly.

As at 31 December 2023, all assets and liabilities of Pentixapharm AG and its subsidiary, Myelo Therapeutics GmbH, are reported as assets and liabilities classified as held for sale. In October 2023, the Executive Board and Supervisory Board of Eckert & Ziegler AG decided to dispose of the Group's clinical assets. At the end of the 2023 financial year, assets totalling € 65.3 million and liabilities totalling € 21.8 million were allocated to the discontinued operation. The balance sheet items for 2022 will not be adjusted in accordance with IFRS regulations.

The balance sheet total as at 31 December 2023 increased by € 31.9 million and 8% compared to the adjusted annual financial statements 2022 and now amounts to € 439.4 million (previous year: € 407.5 million).

On the assets side, goodwill fell by € 7.4 million to € 35.7 million. The decrease is mainly due to adjustments as part of the final PPA for Myelo Therapeutics GmbH. Other intangible assets decreased by € 40.8 million. This decline is almost entirely due to the reclassification of the other intangible assets of Pentixapharm AG and Myelo Therapeutics GmbH to assets held for sale.

Property, plant and equipment fell by € 2.2 million to € 82.9 million. This was mainly due to exchange rate effects on the property, plant and equipment of the foreign subsidiaries reporting in USD and ARS. € 11.3 million in asset disposals from the deconsolidation of Qi Kang Medical Technology was offset by additions to property, plant and equipment in a similar amount. The right-of-use assets in accordance with IFRS 16 increased by € 2.4 million to € 28.9 million, primarily from the extension of the lease agreement for the Eckert & Ziegler AG Group headquarters building in Berlin-Buch. Shares in associated companies or joint ventures increased by € 18.1 million to € 32.1 million. The increase is mainly due to the addition of the joint venture formed with the Chinese pharmaceutical company DongCheng Pharma (DC Pharma) in November 2023. DC Pharma acquired a € 20.0 million stake in the EZAG subsidiary Qi Kang Medical Technology Co., Ltd. (QKM) by way of a capital increase and will hold 50% of the shares. Accordingly, QKM, which was previously fully consolidated, has been recognised in the consolidated balance sheet under investments in associates or joint ventures since this date. Deferred tax assets increased by € 3.1 million to € 11.7 million. In total, non-current assets decreased by € 27.4 million to € 205.7 million.

Current assets increased by € 59.3 million to € 233.7 million (previous year: € 174.4 million). This is due in particular to the change in the presentation of previously non-current assets of Pentixapharm AG and Myelo Therapeutics GmbH under assets held for sale. Cash and cash equivalents decreased by € 14.7 million compared to the end of 2022 and totalled € 68.0 million. € 9.7 million of the decrease is attributable to cash and cash equivalents of Pentixapharm AG and Myelo, which are reported under assets held for sale as at 31 December 2023 (refer to the "Liquidity" section for details). Trade receivables increased by € 6.5 million in line with the increase in revenue, while contract assets rose by € 3.7 million. Inventories increased by € 0.6 million to € 39.9 million. At € 6.0 million, other assets were roughly on a par with the previous year, while income tax receivables increased by € 1.2 million to € 7.1 million (previous year: € 5.9 million).

On the liabilities side, non-current liabilities fell by € 5.6 million to € 131.6 million. Non-current bank loans decreased by € 2.4 million to € 20.0 million, with € 4.0 million in new bank loans and € 6.4 million reclassified to current liabilities, as these amounts are due for repayment in 2024. Lease liabilities (IFRS 16) increased by € 2.8 million to € 27.3 million. Deferred tax liabilities decreased by € 3.8 million to € 1.3 million and the other non-current liabilities increased by € 8.9 million to € 1.8 million. The decrease in both items is mainly due to the reclassifications made in connection with the planned spin-off/disposal of Pentixapharm AG. The sharp increase in other non-current provisions of € 6.2 million to € 68.1 million is mainly due to higher provisions for dismantling and disposal obligations. Provisions for pensions also increased, rising by € 0.7 million to € 11.0 million.

Current liabilities increased by € 27.0 million to € 83.7 million, with the majority of the increase again being attributable to reclassifications to liabilities directly associated with assets held for sale. These reclassifications are also the main cause of the changes in the items: trade payables (decrease of € 2.5 million), income tax liabilities (increase of € 2.0 million) and other current liabilities (decrease of € 3.6 million). Other current provisions increased by € 1.9 million to € 6.4 million mainly due to higher provisions for short-term disposal obligations.

Total equity increased by € 10.5 million to € 224.1 million. Retained earnings increased by € 15.9 million. The addition from the annual result of € 26.3 million was correspondingly reduced by the distribution of the dividend in the amount of € 10.4 million. Other reserves, which also include unrealised actuarial gains or losses in addition to translation differences on the equity of subsidiaries reporting in foreign currencies, reduced by € 6.4 million, from € 4.7 million to € -1.7 million. The capital reserves increased by € 0.3 million to € 66.9 million. The "treasury shares" item fell from € 3.6 million to € 3.3 million. The increase in the capital reserve and the decrease in treasury shares is due to the utilisation of 17,300 treasury shares in connection with share-based payments to employees and the sale of 13,629 treasury shares to Pentixapharm AG.

The equity ratio as at 31 December 2023 was 51% (previous year: 52%).

2.2 NET ASSETS, FINANCIAL POSITION AND FINANCIAL PERFORMANCE OF ECKERT & ZIEGLER STRAHLEN- UND MEDIZINTECHNIK AG – NOTES BASED ON THE GERMAN COMMERCIAL CODE (HGB)

Business development of the company

In the 2023 financial year, there was a control and profit and loss transfer agreement between Eckert & Ziegler AG as the controlling company and the affiliated company Pentixapharm AG (formerly Pentixapharm GmbH) as the controlled entity. A profit and loss transfer agreement was also in place between Eckert & Ziegler AG and Eckert & Ziegler Radiopharma GmbH, as well as between the latter and its subsidiary. The annual profit or loss generated by the other subsidiaries is not completely transferred to the parent company, meaning that the separate financial statements of Eckert & Ziegler AG differ substantially from consolidated net income.

Financial performance of the company

Compared to the previous year, the main changes to the income statement were as follows:

- (1) Sales increased by € 2.1 million to € 11.3 million. This primarily relates to income from services and rents for affiliated companies. The year-on-year increase was due to more extensive services and charges.
- (2) Other operating income increased by € 0.1 million to € 0.2 million. The increase is mainly due to higher income from the reversal of provisions.
- (3) At € 7.2 million, personnel expenses increased by € 1.5 million compared to the previous year's figure of € 5.7 million. This is partly due to the increase in the number of employees compared to 2022 and the expansion of the Executive Board. The company's remuneration system for members of governing bodies is set out in the remuneration report.
- (4) Depreciation and amortisation on property, plant and equipment and intangible assets amounted to € 0.5 million, which was at a level similar to the 2022 financial year.
- (5) For its financial assets, Eckert & Ziegler AG calculated the enterprise value in each case using the discounted cash flow (DCF) method, which is based on current planning calculations over a five-year period. The company values determined as at 31 December 2023 for all shares in affiliated companies were higher than the investment values recognised in the balance sheet. In the 2022 financial year, the company valuation for the investment in Eckert & Ziegler BEBIG GmbH resulted in a lower value than the carrying amount of the investment recognised up to that point. An impairment loss of € 4.7 million was therefore recognised for this investment in the previous year.
- (6) Other operating expenses increased by € 0.7 million to € 6.3 million compared to the previous year. The increase is mainly due to higher legal and consulting costs as well as services procured from third parties, which rose by a total of € 0.5 million compared to 2022.
- (7) In the 2023 financial year, Eckert & Ziegler AG took over a profit of € 26.6 million (previous year: € 21.6 million) from its German subsidiary Eckert & Ziegler Radiopharma GmbH as part of the profit and loss transfer agreement. Eckert & Ziegler AG took over a loss of € 10.1 million in the 2023 financial year (previous year: € 6.1 million) from the profit and loss transfer agreement with Pentixapharm.

- (8) Eckert & Ziegler AG received a profit distribution from its subsidiaries Eckert & Ziegler Isotope Products Holdings GmbH totalling €12.5 million. This amounted to €13.5 million in the previous year. Eckert & Ziegler AG received a further €0.3 million (previous year: €2.3 million) in profit distributions in the 2023 financial year from a minority interest in a company.
- (9) At €-0.4 million, total interest and similar expenses and other interest and similar income were €-0.3 million below the previous year's level of €-0.1 million.
- (10) The sale of all shares in Myelo Therapeutics GmbH to the wholly owned subsidiary Pentixapharm AG in September 2023 generated income of €8.8 million for Eckert & Ziegler AG. Eckert & Ziegler AG realised income of €0.2 million from the sale of 100,000 shares in Pentixapharm AG (0.46% of the share capital). There was no such income in the previous year.
- (11) Despite the increase in earnings before taxes, income tax expenses fell by €1.0 million year-on-year to €4.7 million. The decline is mainly due to the fact that earnings before taxes in the 2023 financial year included €9.0 million income that was not recognised in the previous year.

In total for the 2023 financial year, an annual surplus of €30.6 million (previous year: €18.9 million) is reported, which is €11.7 million higher resulting from the translation of the financial statements of foreign subsidiaries.

Net assets and financial position of the company

The balance sheet total of Eckert & Ziegler AG increased by €33.5 million to €185.2 million compared to the previous year. On the assets side, the increase in the balance sheet total is mainly reflected in the additions to shares in affiliated companies and receivables from affiliated companies. On the liabilities side, equity increased by €21.2 million and liabilities to affiliated companies by €12.9 million.

The following significant changes occurred in the 2023 financial year:

Interests in affiliated companies rose sharply by €26.5 million, from €121.7 million to €148.2 million. In the 2023 financial year, €16.0 million was invested in capital reserve increases at the subsidiary Eckert & Ziegler Radiopharma GmbH and €24.4 million in capital increases at Pentixapharm AG, which used these funds for the acquisition of Myelo Therapeutics GmbH, among other things. This was offset by capital repayments of €5.6 million received from the subsidiary Eckert & Ziegler BEBIG GmbH, the sale of 0.46% of the shares in Pentixapharm AG totalling €0.3 million and the sale of Myelo Therapeutics GmbH to Pentixapharm AG amounting to €9.2 million.

Receivables from affiliated companies increased by €5.0 million from €21.6 million in the previous year to €26.6 million. This was mainly due to the receivable resulting from the profit and loss transfer agreement with Eckert & Ziegler Radiopharma GmbH.

Bank balances amounted to €1.4 million as at 31 December 2023 compared to €3.3 million as at 31 December 2022.

Equity totalled €157.7 million, an increase of €21.2 million compared to the previous year. The increase is due to the net profit of €30.6 million generated in the 2023 financial year and €1.0 million from the use of treasury shares for employee remuneration. This was offset by an outflow of €10.4 million for the dividend distributed in the financial year.

Provisions decreased by €0.5 million to €3.6 million. The reduction in provisions is mainly due to a €0.6 million decrease in tax provisions compared to the previous year.

The €12.8 million increase in liabilities from €11.1 million in the previous year to the current figure of €23.9 million is mainly due to the increase in liabilities to affiliated companies. On the one hand, liabilities to Pentixapharm AG from the assumption of losses under the profit and loss transfer agreement increased by €6.0 million; on the other hand, a credit line granted by Eckert & Ziegler Nuclitec GmbH in the amount of €6.8 million was utilised as at 31 December 2023.

As at 31 December 2023, the company had committed cash credit lines from banks in the amount of €12.0 million which were not utilised.

Overall, the Executive Board continues to rate the company's economic position as very good. The equity ratio is 85% (previous year: 90%).

2.3 EMPLOYEES

As at 31 December 2023, Eckert & Ziegler had a total of 1,075 employees across the Group (previous year: 976). The number of employees thus increased by 99 persons year-on-year. The increase is mainly attributable to the Medical and Other segments. In the Medical segment, the expansion of the workforce is a necessary step to meet the growing demand for radiopharmaceutical products. The majority of the increase in the Other segment is attributable to the ongoing expansion in the clinical development area. The discontinued operations accounted for a total of 43 employees as at 31 December 2023 (previous year: 32).

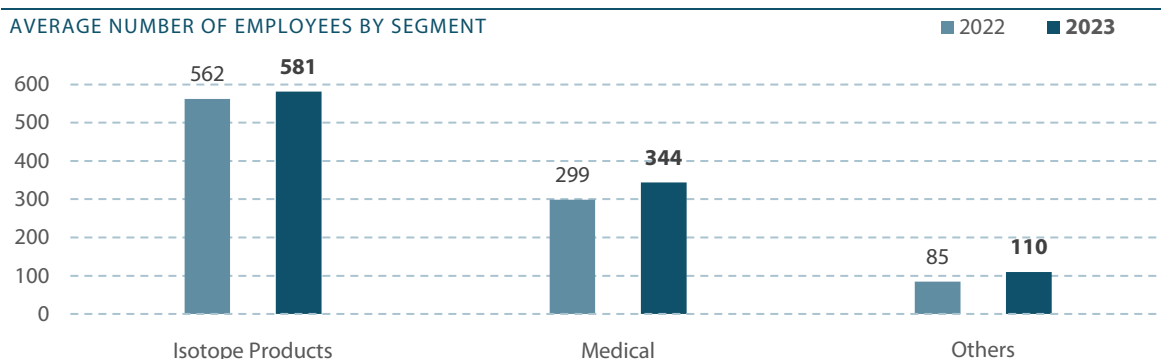
If employee figures are calculated based on the definition set forth in the German Commercial Code (HGB), which relates to the average number of employees over the course of a year and excludes members of the Executive Board and managing directors, as well as trainees and interns, but includes part-time employees and employees with minimal working hours, the number of employees rose from 842 to 943.

Eckert & Ziegler Strahlen- und Medizintechnik AG had an average of 71 employees, or 3 more employees than in the previous year.

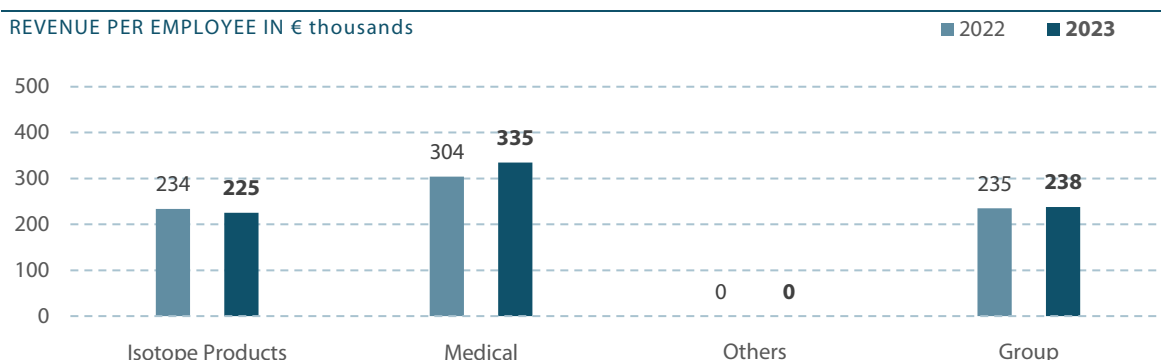
At 12%, the turnover rate, defined as the number of employees who left the company during the year under review, was slightly above the previous year's level of 10%, which is in line with the general trend and shows a slight increase in turnover to pre-crisis levels. However, this is still well below the average turnover rate in Germany, which was 33.2% in 2022. The percentage of women in the total workforce stood at 39% (previous year: 37%). At 44 years of age, the average age in the financial year was on a par with the previous year, with a focus on the 40 to 44 age group. Slightly fewer than half of all employees have a degree from a university of applied sciences/bachelor's degree or a higher level of education.

Personnel expenses from continuing and discontinued operations totalled €78.5 million in the reporting period (previous year: €68.7 million). This translates into average personnel expenses of around €75.8 thousand per employee in 2023, compared to around €72.7 thousand in the previous year.

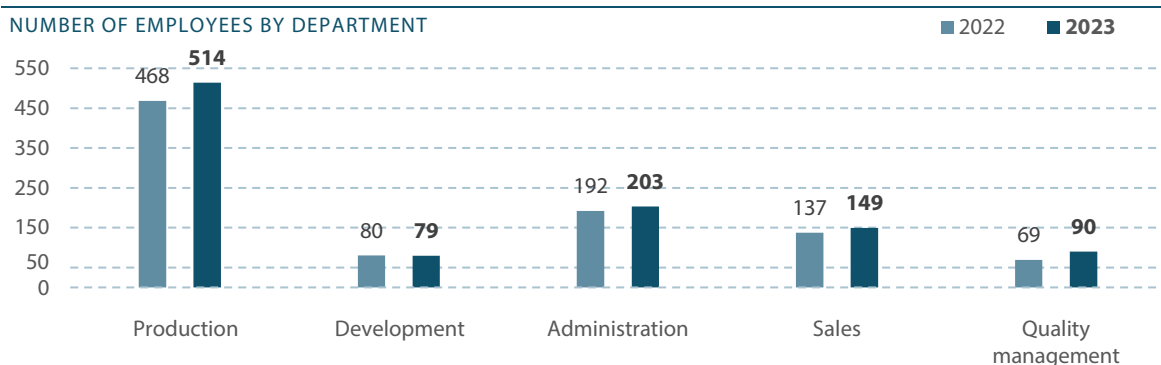
AVERAGE NUMBER OF EMPLOYEES BY SEGMENT

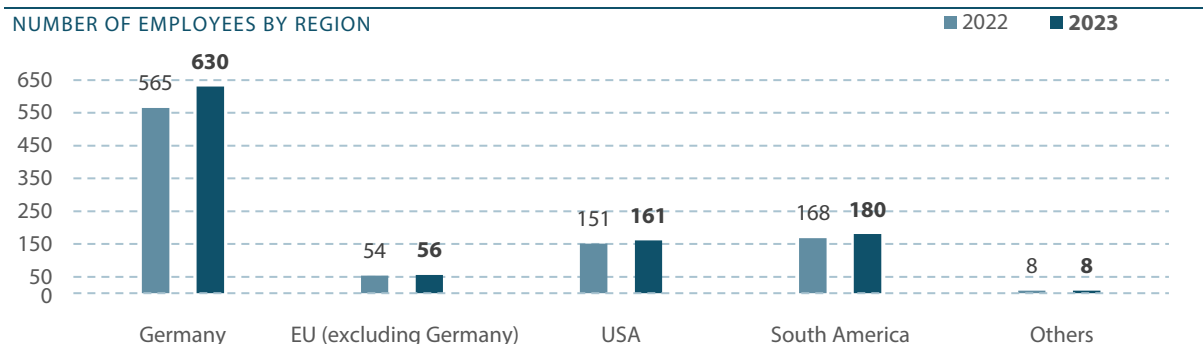


REVENUE PER EMPLOYEE IN € thousands



NUMBER OF EMPLOYEES BY DEPARTMENT





2.4 OVERALL STATEMENT CONCERNING THE ECONOMIC POSITION

The 2023 financial year was very successful. Eckert & Ziegler was able to increase revenue to a record level of over € 246 million. The demand for radiopharmaceutical products was again the largest growth driver across all segments. In addition, the Isotope Products segment was able to further strengthen its market position as a result of rising energy costs. Adjusted for one-off effects, earnings in the core business also continued to grow compared to the previous year. Overall, Eckert & Ziegler AG generated income of € 1.46 per share from continuing operations. If discontinued operations are included, income is reduced to € 1.26 per share.

The strong market positions of the respective segments are reflected in a solid balance sheet. The solid balance sheet ratios, such as the equity ratio, return on equity, debt repayment period and similar performance indicators, continue to provide the Group with financial latitude. The planned spin-off of Pentixapharm AG is intended to help the Eckert & Ziegler Group to pool its financial resources for the expansion of global manufacturing capacities in order to continue to meet the enormous growth forecast for active pharmaceutical ingredients. Eckert & Ziegler is concentrating on its core competences in order to further expand its position as a leading supplier of radioisotopes for the production of radiopharmaceuticals.

Overall, the Executive Board is satisfied with the development of the operating business and the result achieved in 2023.

3. REPORT ON OPPORTUNITIES AND RISKS

Eckert & Ziegler AG's shareholders need to be aware that the Group as a whole is exposed to a wide range of opportunities and risks that may influence the company's business activities and share price. This report outlines the risks and opportunities and their potential impact on the Group as a whole. Furthermore, it describes the Group's risk management system and the safeguards it has put in place.

The group's opportunities and risks indirectly affect the parent company, Eckert & Ziegler AG, through its participations in other entities.

3.1 ORGANISATION OF RISK MANAGEMENT

The task of risk management is to systematically identify opportunities and risks and to assess them with respect to the effects they may have on the company. The term "risk" is therefore defined as variation from an expected value. According to this definition, both positive deviations (opportunities) and negative deviations (risks) are considered.

The overall responsibility for risk management lies with the Executive Board. However, operational responsibility – i.e., the early recognition, evaluation, management, and documentation of risks; the specification and implementation of suitable countermeasures; and the corresponding communication – lies primarily with the respective segment management and the management of the subsidiaries. This level below the Executive Board bears responsibility for risk management in its area. In addition to the annual structured risk assessment process, operational management is obliged to constantly monitor its area with regard to a changing risk situation. Fundamental changes to the specific risk situation for the area must be reported immediately to segment management and the Executive Board. Changes to risks with fundamental financial implications must also be reported to Group accounting.

Eckert & Ziegler's technical and managerial staff are consulted as part of the aforementioned annual process concerning structured risk analysis. They are asked to designate new and existing opportunities and risks and classify them according to the probability of occurrence and their potential impact on the company. Preventive measures are taken, contingency plans are drafted if applicable, and regular evaluations are organised for these risks to the extent possible.

These include monitoring the market and competitors, evaluating scientific literature, analysing customer complaints, and statistics on costs and revenue, among other things. The assessment of risks according to probability of occurrence and the potential extent of losses is reported to the Supervisory Board once a year.

As part of risk management, risks are classified into risks from the use of financial instruments, political risks, legal risks, IT risks, personnel risks, procurement risks, general risks arising from the production and handling of radioactivity, revenue market risks and strategic risks, risks from cost increases due to price hikes, main customer risks and research and development risks. The risk owners are identified. In a risk matrix, the identified risks are presented in terms of their likelihood of occurrence and their potential financial impact on the Group's net assets, financial position and financial performance in the categories very unlikely/unlikely/fairly unlikely/not very likely/fairly likely and very low/low/medium/high/very high. Risks which jeopardise the company as a going concern are – where present – highlighted and reported separately. Risks are classified as follows:

Classification	Intensity
0 – Very low	< 1 million euros
1 – Low	1 to 2 million euros
2 – Medium	2 to 5 million euros
3 – High	5 to 20 million euros
4 – Very high	> € 20 million

Classification	Probability of occurrence within 24 months
0 – Very unlikely	< 0.01%
1 – Unlikely	0.01% to < 0.5%
2 – Fairly unlikely	0.5% to < 2%
3 – Not very likely	2% to < 10%
4 – Fairly likely	10% to < 50%

Overall, a risk-minimising approach is chosen. Existing risks are consistently monitored and are minimised or safeguarded against through ongoing process improvements. New product developments and acquisitions are checked for potential risks from the very start and are incorporated into the risk management system. Market developments are monitored, as are the activities of competitors, with the aim of being able to swiftly and promptly modify and implement the Group's own strategies.

The Supervisory Board – which is informed about and approves all key decisions, and which is regularly kept up to date on business developments – serves as an additional risk-protection element.

3.2 FINANCIAL RISKS

The avoidance of financial risks is monitored and managed by tools such as annual financial planning with adjustments during the year and careful analysis of deviations from the plan. This makes it possible to identify potential risks at an early stage and take appropriate countermeasures. In addition, derivative financial instruments are used to hedge against fluctuations in interest rates and exchange rates associated with operational business. Since hedges are entered into only for transactions whose volume exceeds certain thresholds, exchange rate fluctuations and changes in interest rates continue to have a certain impact on the Group's results.

Liquidity risk

Probability of occurrence: **fairly unlikely**/intensity: **very high**

The Group believes that it currently has sufficient financial resources to ensure its continued existence as a going concern. Eckert & Ziegler's cash and cash equivalents totalled €68.0 million as at the reporting date. Net liquidity at the end of the year totalled €41.6 million¹. The Group thus believes that it is in a position to meet all of its financial obligations.

The primary requirement for the ability to be able to refinance on favourable terms where necessary is the Group's good credit rating. This is confirmed by the credit terms offered. The Executive Board believes this is because of the Group's solid financing with a high equity ratio and the favourable prospects of the operating units. In addition to the high equity ratio, solid balance sheet ratios further underpin the Group's creditworthiness, as non-current assets are more than covered by equity and non-current liabilities.

Risks from contingent liabilities

Probability of occurrence: **fairly unlikely**/intensity: **medium**

Guarantees and sureties were provided for the benefit of subsidiaries. As at 31 December 2023, Eckert & Ziegler AG had committed guarantee lines in the amount of €26.6 million, of which €17.6 million had been drawn down for guarantees. However, no claims under the guarantees are expected.

Exchange rate risks

Probability of occurrence: **fairly likely**/intensity: **medium**

Because it operates globally, the Group is exposed to risks associated with fluctuations in exchange rates. Since the subsidiaries in the US, Brazil and Argentina generate the majority of the Group's revenue, the Group is positively or negatively affected by changes in exchange rates in connection with the foreign currency translation (US dollar, Brazilian real and Argentine peso) of positions in the income statement. Through its global production network, the Group is in a position to offset most of the revenue generated in foreign currency against costs that are likewise incurred in foreign currency. Where required, the Group uses forward transactions and simple put options to hedge foreign currency revenue generated by German exports.

Default risks for customer receivables

Probability of occurrence: **unlikely** (previous year: **fairly unlikely**)/intensity: **very low**

The Group is exposed to default risk on its trade receivables, in particular, in connection with its numerous foreign transactions.

Risk exposure is primarily influenced by the size of the customers and the country-specific rules and opportunities for settling reimbursements of medical services by public providers.

New customers are assigned a credit score and first deliveries generally require advance payment. Deliveries to customers that are considered a permanent risk due to their size or location are secured by advance payment, sureties or letters of credit. Thus, high receivables are secured with documentary transactions.

¹ Corresponds to cash, cash equivalents and securities, less current and non-current loan liabilities.

The risk is monitored by means of regular past due analyses of all trade receivables. A functioning dunning management system has been established.

Interest rate risk

Probability of occurrence: **not very likely**/intensity: **low**

Eckert & Ziegler has loan liabilities of € 26.4 million as at 31 December 2023. Some of these are fixed-rate loans for which there is no interest rate risk. Others have to do with variable interest rate financing (3-month Euribor) in connection with an interest rate cap.

Committed cash credit lines totalling € 17.0 million are generally subject to interest rate risk. However, these were not utilised as at 31 December 2023.

In connection with testing the impairment of the carrying amounts of the participations in subsidiaries (impairment test), an increase in interest rates can result in a decline in fair values. If they fall below the carrying amount of the goodwill or the carrying amount of the interests in subsidiaries, this would create the need for a write-down at the consolidated level or in the separate financial statements of Eckert & Ziegler. This would have a negative impact on the net assets and financial performance of the Group or Eckert & Ziegler AG as a standalone company.

3.3 POLITICAL RISKS

War in Ukraine

Probability of occurrence: **fairly likely**/intensity: **medium**

The military attack by Russia on Ukraine continues to adversely impact the global economy and the performance of companies. Eckert & Ziegler is primarily exposed on the procurement side. Sales to Russia are of minor significance in the Group. Economic sanctions are currently focused on exports to Russia and on the country's ability to access capital markets. As an importer, Eckert & Ziegler is not directly affected. Based on the sanctions, administrative procedures have been adjusted, and alternative transport routes have been established. So far, we have not been faced with insurmountable obstacles and continue to receive deliveries from Russia. Alternative suppliers outside of Russia are available for a number of radioisotopes.

Geopolitical tensions

Probability of occurrence: **not very likely**/intensity: **high**

Persistent political tensions between other countries likewise harbour the latent risk of conflicts, with effects for the global economy and ensuing embargoes and supply difficulties. As a globally operating group, Eckert & Ziegler would be exposed to risk on the revenue side as well as the procurement side.

3.4 LEGAL RISKS

Probability of occurrence: **fairly unlikely**/intensity: **medium**

The Group is exposed to legal risks arising from legal disputes or governmental or official proceedings in which it is currently involved or that may arise in the future. At this time, legal disputes or lawsuits that are not or not fully covered by insurance or provisions and that could have a significant adverse impact on consolidated net income are neither pending nor discernible, with the exception of the situation described below.

A lawsuit is pending by individuals against the German state of Lower Saxony seeking a withdrawal of the company's licence to handle radioactive materials at the Braunschweig location, and the subsidiary concerned is involved in the proceedings as a joined party. If a final and binding judgement is entered ordering withdrawal of the licence, this would affect a substantial portion of the services provided at the Braunschweig location. Outsourcing to other locations would be partially but not fully possible.

In-court and out-of-court legal disputes are handled by in-house attorneys, who engage outside lawyers where necessary.

3.5 IT RISKS

Probability of occurrence: **fairly likely**/intensity: **medium**

Eckert & Ziegler is exposed to the risk of IT system outages. In the event of loss/damage, this could result in loss of data and, in the worst-case scenario, business interruptions. There is also the risk of active hacking, phishing and malware. Protective measures include regular backups, antivirus software, firewalls, anti-malware software and the widespread use of virtualised servers.

3.6 PERSONNEL RISKS

Probability of occurrence: **fairly likely**/intensity: **medium**

In many business divisions, Eckert & Ziegler depends on the specialised knowledge of its employees. The company depends on the knowledge and expertise of particularly highly qualified key individuals, especially when developing new business fields as well as in development and distribution. In order to minimise the risk of losing talented employees, the company strives to create a pleasant and supportive atmosphere, a modern and secure working environment, adequate remuneration, professional training and further education opportunities, and flexible working hours. Eckert & Ziegler is reliant on employees with specialist knowledge. In some cases, vacant positions cannot be filled immediately due to the lack of qualified personnel. Despite employee-friendly measures, Eckert & Ziegler cannot guarantee that these employees will remain with the company or display the necessary level of commitment.

3.7 PROCUREMENT RISKS

Probability of occurrence: **not very likely**/intensity: **very high**

The risk of delivery bottlenecks and production downtime arises if it is not possible to source all raw materials and indirect materials at the required time and in the necessary quantities. The Group could lose key suppliers, suppliers could experience capacity bottlenecks, or political and organisational changes in the "supplier" countries could delay deliveries or make deliveries impossible. This risk can never be fully excluded. It can, however, be counteracted through warehousing and by establishing alternative sources of supply.

3.8 GENERAL RISKS FROM THE PRODUCTION AND HANDLING OF RADIOACTIVITY

Probability of occurrence: **not very likely**/intensity: **high**

Both radioactivity itself and its use in medical or medicinal products involve product liability risks. Eckert & Ziegler addresses these risks by adhering to strict quality criteria. The majority of sites are ISO-certified, and the functioning of the quality management systems is regularly checked by internal and external audits. In order to avoid accidents that could injure employees, cause damage to the environment, or prompt regulatory agencies to close down production facilities, employees regularly undergo training on occupational safety and radiation protection. Despite all these measures, it cannot be ruled out that events giving rise to liability could nevertheless occur and pose a threat to the company. As far as it is possible and feasible, appropriate insurance has been taken out to guard against liability risks.

Eckert & Ziegler is dependent on specialised service providers to ship products worldwide that are often transported as hazardous goods. It cannot be guaranteed that these offers will be maintained in the existing form. Special official authorisation is necessary for the manufacturing and shipment of many products. Eckert & Ziegler is able to exert only indirect influence on the issuance or renewal of such authorisation. Given the rising threat of terror around the world, there is also the risk that the transportation of radioactive components will be more strictly regulated.

Those who handle radioactive materials require a licence. This licence is issued by the competent authority in the relevant German federal state. The licence for handling radioactive materials is issued under Section 7 of the German Radiation Protection Ordinance (StrlSchV). The licence is subject to compliance with extensive conditions listed in Section 9 StrlSchV, and there is a risk that these will not be complied with. The application for a licence or amendment to a licence must be accompanied by appropriate documents to document compliance with the aforementioned requirements. The licence can be withdrawn if certain regulations, in particular, documentation regulations, are not complied with.

Eckert & Ziegler makes every effort to comply with all the relevant regulations and to implement any changes, orders and documentation requirements in a timely manner. Other authorisations, which are also mandatory for the business, are complied with and the relevant regulations and measures are introduced on time. While Eckert & Ziegler works closely with the approval authorities and also uses the help of local partners in regulatory matters, there is a risk that it may not be possible to implement certain requirements within the specified time limit. Eckert & Ziegler relies on options for the disposal of isotope technology waste, which is created when taking back sources or during production. A closure

or delayed opening of disposal facilities can lead to significant increases in costs. Efforts are made to reduce the impact of this risk to the greatest extent possible through internal recycling. However, this uncertainty cannot be completely eliminated.

There is also the risk that already classified radioactive waste may have to be disposed of differently than initially assumed due to new official regulations. This may result in the actual costs exceeding the values stated in the provision.

The handling of radioactive substances requires approval from the relevant government authorities. It cannot be ruled out that production or handling in individual cases or at certain locations may become more expensive, restricted or even prevented due to changes in legal or regulatory conditions.

3.9 MARKET RISKS AND STRATEGIC RISKS

Probability of occurrence: **not very likely**/intensity: **medium**

As a specialist for a broad portfolio of isotope technology components, irradiation units, and radiopharmaceuticals, Eckert & Ziegler is better protected against slumps in the market than single-product companies. Although the various business segments are technologically close, they differ considerably in the product lifecycle as well as in the customer and market structures. This diversification generally reduces the risk that competitors will undermine the company's business foundation with new and better products. Nevertheless, it cannot be ruled out that improved processes and efforts by competitors might cause the loss of important markets, thereby jeopardising the company.

To counter this threat, Eckert & Ziegler actively seeks to develop new products and to identify and develop new business fields. However, there is the risk that such efforts will remain unsuccessful and that new business fields will be developed too late, inadequately, or not at all. Furthermore, it cannot be ruled out that competitors might have greater success with other products or market launch strategies.

In the medical divisions, the economic success of Eckert & Ziegler's products depends on cost reimbursement for the respective applications. A reduction or elimination of cost reimbursement would have dire consequences for revenue and earnings. Capital goods are also sold in the segments. In this regard, there is a risk of public and private customers being limited by budgetary constraints.

Strategic risks relate to projects like geographic expansions or strategic participations. In addition to great opportunities, these projects also harbour risks. Failure to achieve the objectives associated with each of the projects could have an impact on the financial performance of the Group, but not directly on liquidity.

3.10 RISKS POSED BY COST INCREASES DUE TO PRICE HIKES

Risk posed by cost increases in material procurement

Probability of occurrence: **fairly likely**/intensity: **low**

There is a general risk that suppliers will increase their list prices by 3–5% annually – or even more in times of high inflation – and this could have an adverse impact primarily on the gross profit margin. Price negotiations and strategic purchasing decisions (such as framework agreements, quantity discounts, etc.) can counteract these developments or improve predictability and provide cost certainty for a certain period of time.

Risk posed by cost increases in the remediation of radioactive waste sites

Probability of occurrence: **fairly likely**/intensity: **medium**

There is a much higher risk from cost increases in the case of the current stockpiles of radioactive waste. As a result of political decisions and changes in legal requirements as well as government capacities, the costs of disposal may rise, for example, due to a reclassification of radioactive waste, bottlenecks in acceptance and thus time delays or higher acceptance costs as a result of changes to permanent disposal site conditions, which are passed on to the disposing companies. Therefore, the provisions created and calculated on the basis of the knowledge and assumptions available today may not be sufficient to cover the actual disposal costs. For this reason, the management of the companies concerned places the highest priority on the processing and timely disposal of these stockpiles of radioactive waste. Increased costs as a result of inflation, cost structure modifications and price increases expected in the future were sufficiently taken into account as at 31 December 2023 in the calculation of the provision for the disposal of radioactive waste and for the decontamination of buildings and facilities, meaning that as things stand today, Eckert & Ziegler does not expect further, substantial unplanned cost increases.

3.11 MAIN CUSTOMER RISK

Probability of occurrence: **fairly unlikely**/intensity: **low**

There is a risk that main customers will reduce their purchase volumes individually or collectively. The lower demand from one of the main customers would have an adverse impact on the Group's financial performance. The Group's ten largest customers account for 24% of operating revenue. This revenue performance is expected to be repeated in 2024, as Eckert & Ziegler attaches importance to long-term arrangements or contracts.

3.12 RESEARCH AND DEVELOPMENT RISKS

Probability of occurrence: **not very likely**/intensity: **very high**

The Eckert & Ziegler Group carries out its own research projects where possible. In this respect, Eckert & Ziegler focuses both on clinical development and on the enhancement of its own existing products. The aim is to strengthen its relative position in relation to competitors and alternative application methods. These measures may remain unsuccessful due to faster market developments or due to the wrong target orientation or even the non-achievement of development targets and subsequently lead to amortisation of intangible assets. Although this impact would be very high, it would not affect liquidity. An attempt is made to minimise the risks through market monitoring and project management-related measures.

3.13 RISK DEVELOPMENT

For the recognisable risks of the Eckert & Ziegler Group that could have a negative impact on the Group's net assets, financial position and results of operations, we have taken countermeasures and/or, if there is a corresponding probability of occurrence, balance sheet provisions as far as reasonable and possible.

Following extensive analysis of the entire risk situation, no risks are currently discernible that could jeopardise the Group's ability to continue as a going concern, nor are any such risks foreseeable at this time, including in connection with other risks.

There were no major changes to risks compared with the previous year. The military attack by Russia on Ukraine continues to pose a challenge. Eckert & Ziegler has adjusted administrative procedures and established alternative transport routes. So far, we have not been faced with insurmountable obstacles and continue to receive deliveries from Russia. Based on the experiences in 2023, we expect that we will remain able to procure raw materials and supply customers.

3.14 OPPORTUNITY REPORT

The momentum in M&A activity in recent years reflects the market's interest in decades of developments in radiopharmaceuticals. Precision oncology procedures enable patients to have more targeted tumour treatments, and they deliver higher success rates. Eckert & Ziegler is well equipped to take further advantage of this opportunity due to its established strong position in this niche market. Eckert & Ziegler remains one of the few suppliers of key precision oncology products such as Ge-68/Ga-68 generators, yttrium-90 and lutetium-177. Market growth remains unabated and will also continue in the coming years.

Sustainable growth is premised on the ongoing review and optimisation of existing processes and the product portfolio. The company is consolidating its competitive advantages by expanding its approvals and markets. The greatest challenge for the Group remains the identification of and expansion into new business areas aimed at strengthening both new and existing portfolios.

To this end, the Group is investing heavily in additional laboratories and production facilities for radioisotopes around the world. The acquisition of companies and/or participations also serves the purpose of opening up new business areas for the Group or making production processes more cost-efficient. An example of this is the joint venture agreement concluded in the 2022 financial year with Atom Mines LLC (Texas, USA). Eckert & Ziegler has co-financed the development of a new process for the production of ytterbium-176, which is indispensable for the production of lutetium-177, and will thus be exclusively able to use this high-purity ytterbium-176 for the production of lutetium-177 n.c.a. in pharmaceutical quality. Successfully completed development projects give rise to opportunities for disproportionate organic growth. Eckert & Ziegler also sees enormous opportunity in the emergence of new proprietary SPECT tracers. Demand for SPECT tracers is expected to increase dynamically and almost double over the next five years.

Other successful development projects could lead to non-organic growth through new products in the portfolio and thus new business areas. Both would have a positive effect on market share and competitiveness and lead to a considerable increase in income. In this regard, one focus is on the development and manufacture of radionuclides that emit alpha

radiation (e.g. actinium-225). In connection with this, Eckert & Ziegler and the Nuclear Physics Institute at the Czech Academy of Sciences, Ústav jaderné fyziky (UJF), agreed on a long-term collaboration for the manufacture of the alpha emitter actinium-225. The agreement calls for Eckert & Ziegler to provide the UJF research centre with several million euros for investments in facilities and hot cells, as well as with radium-226 as starting material for testing and irradiation. In return, Eckert & Ziegler will receive exclusive access to the production capacities of a pilot plant under construction near Prague, as well as co-utilisation rights to process steps that are being developed for large-scale commercial Ac-225 production. Experts anticipate that demand for actinium-225 will increase exponentially in the next decade.

In addition, the boom in the radiopharmaceutical industry is also creating opportunities in the area of restoration and containment of contaminated sites. While they tend to be classified as a risk due to the growing red tape, this is not necessarily the case. If the management finds innovative solutions that can be used to reduce provisions, this could translate into considerable income. This assessment also applies to provisions for the dismantling of existing plants.

3.15 ACCOUNTING-RELATED RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The primary objective of the accounting-related internal control system is to reduce the risk of material misstatements in accounting, uncover materially inaccurate valuations and ensure that the laws and standards applicable to financial reporting are complied with.

Eckert & Ziegler AG prepares its annual financial statements in accordance with the accounting standards under commercial law, taking into account the supplementary provisions of the German Stock Corporation Act. The consolidated financial statements are prepared in accordance with IFRS rules.

An accounting-related internal control system was implemented which corresponds to the size of the Group. The following presents organisational arrangements and measures of the accounting-related internal control system:

- All units of the Group are integrated in a defined management and reporting structure. The applicable principles, structural and procedural organisation and defined processes are documented and are constantly adjusted to meet current developments.
- The consolidated financial statements are prepared according to a schedule which is set centrally by the Group accounting department. The schedule defines all important activities and deadlines.
- The Group accounting system is organised centrally. The involvement of external service providers in the closing process is generally limited to tax calculations for subsidiaries abroad. In a few exceptional cases, financial statements of the subsidiaries are prepared externally.
- The subsidiaries coordinate with the Group's headquarters on the accounting treatment of new matters. Changes to Group accounting are communicated directly to all employees and external service providers concerned.
- The reporting of the subsidiaries is conducted using standardised forms which are completed by the respective accounting departments for the monthly, quarterly and annual financial statements.
- The accounting information of all subsidiaries flows to the segments' controlling department, where it is monitored. Deviation analyses are carried out and discrepancies in terms of compliance with financial statement-relevant Group guidelines are examined and discussed with the respective subsidiary; if necessary, they are reported to the Group accounting department.
- Initial internal reconciliation and consolidation is carried out at segment level in the central controlling department. This includes, among other things, a reconciliation of receivables and liabilities among the Group companies.
- Monitoring in the area of consolidation arises from the consolidation process. Reconciliation discrepancies in consolidation are communicated to the respective subsidiaries and rectified.
- The internal tax department is involved in calculating items relevant for the financial statements that include taxes.
- Flat hierarchies, direct reporting channels and monthly interim financial statements make it possible to recognise and correct material accounting misstatements in accounting and significant misjudgements in good time.

Irrespective of the specific design, it is not possible to achieve absolute certainty with respect to the meeting of the objectives of the accounting-related internal control system.

4. FORECAST REPORT

4.1 COMPARISON WITH THE PREVIOUS YEAR

In March 2023, revenue of just under €230 million was forecast for the 2023 financial year and a consolidated profit of around €25 million. This forecast relates to the consolidated profit from "continuing" operations and operations now recognised as "discontinued". These targets were exceeded with revenue of €246.1 million and a consolidated profit of €26.3 million or €1.26 per share.

As the holding company, Eckert & Ziegler AG has forecast revenue of just over €10 million and an operating loss before interest and taxes (EBIT) of just under €2 million for 2023. Due to dividend and profit transfer income of €32 million and the offsetting takeover of anticipated losses of Pentixapharm AG in the amount of €12 million, the forecast profit after taxes for the 2023 financial year should amount to around €16 million. These budgeted figures were exceeded with revenue of €11 million, an operating loss before interest and taxes (EBIT) of €2 million, dividend and profit transfer income of €29 million, income from the sale of shares totalling €9 million and a net profit for the year of €31 million.

The Isotope Products segment forecast revenue with external customers of around €128 million and a net profit of just under €13 million for 2023. Both target figures were exceeded with revenue of €130.9 million and a net profit for the year of €15.8 million.

The Medical segment achieved revenue with external customers of €115.2 million, also exceeding the revenue forecast for 2023 of just under €102 million. At €17.2 million, the planned net profit for the year of around €18 million was narrowly missed due to unplanned financial expenses totalling €1.3 million (of which €0.7 million from currency losses).

The holding company and the discontinued operations of the clinical assets, consisting of Pentixapharm AG and its subsidiary Myelo Therapeutics GmbH, form the Other segment. A net loss for the year of around €6 million was forecast for this segment. With a deficit of €6.7 million, the planned figure was slightly exceeded, due in particular to unplanned expenses in connection with the ongoing change of legal form to a European stock corporation (SE) and preparations for the spin-off of the clinical assets (€0.5 million).

4.2 SITUATION AT THE BEGINNING OF 2024 AND FORECAST FOR THE YEAR

The International Monetary Fund (IMF) is optimistic about the development of the global economy and, in its economic forecast for 2024 published at the end of January, assumes that economic growth in 2024 will be on a par with the previous year at 3.1%. Although global growth remains below the historical average compared to previous decades, the economies of several industrialised and emerging countries have proven to be significantly more resilient than initially assumed. The overall picture is likely to be better for many countries in 2024 than in the previous year. The IMF expects economic performance to develop positively in all countries analysed except Argentina. Inflation is falling faster than expected in most regions, as the problems on the supply side and the restrictive monetary policy have been overcome. Overall global inflation is expected to fall to 5.8% in 2024. However, the challenge for policymakers remains successfully managing the final reduction in inflation to the target level.

The war in Ukraine and other global political tensions continue to pose risks. Eckert & Ziegler is primarily exposed on the procurement side. In the past financial year, Eckert & Ziegler has succeeded in importing Russian precursors without any major disruptions. The procurement from Russia of radioisotopes that are needed for production is functioning, as are transport and payment transactions. Alternative sources of supply have now been found for a large proportion of the raw materials required.

Therefore, the following assessment is of course subject to the proviso that Eckert & Ziegler will not experience any further upheavals from the war in Ukraine or inflation. As important contributions to earnings and liquidity are generated by the Isotope Products segment, which is based in the USA, it also assumes that the weighted average exchange rate will be USD 1.15 per euro. At the time that the consolidated financial statements were prepared, the exchange rate stood at about USD 1.09.

From the 2024 financial year, "EBIT before special items from continuing operations" will be used as a key figure for the forecast instead of net profit for the year. Sales revenue is forecast to remain unchanged. Focussing on these two parameters provides a better assessment of the operating performance of the core business without special items, i.e. without effects that are special in terms of their nature and amount for the management of the Group. These include financial and currency results, losses in accordance with IAS 29 (hyperinflation), acquisition costs, divestments and restructuring. When calculating this key figure, EBIT from continuing operations is increased by extraordinary expenses and reduced by extraordinary income.

The forecast report contains forward-looking statements that are based on management's current expectations regarding the future development of the company. The outlook is based on estimates made by management on the basis of all information available to it at the time this report was finalised. The statements are subject to risks and uncertainties that are beyond the control of management. If the assumptions underlying the outlook are not correct or the risks or opportunities described materialise, the actual results and developments, both positive and negative, may deviate significantly from the statements made in the outlook. Eckert & Ziegler assumes no obligation to update the forward-looking statements contained in the management report outside the statutory disclosure requirements.

4.3 FUTURE BUSINESS DEVELOPMENT IN THE ISOTOPE PRODUCTS SEGMENT

The Isotope Products segment is forecasting continued strong revenue in 2024. Medical imaging specialist Tecnonuclear S.A. (Argentina) launched new diagnostic products in 2023 and expects them to be launched in selected South American markets in the second half of 2024 (subject to regulatory approval). Demand for non-Russian oil and gas continues to drive the exploration activities of energy companies and, as a result, the demand for metrological components. The segment has a very strong competitive position, it continues to develop new products and gain additional customers. With the commissioning of new nuclear power plants, the revenue of calibration and environmental monitoring products in the Analytics business division (USA) continue to rise. The Life Cycle Services division is well positioned to benefit from the decommissioning and refurbishment of ageing nuclear facilities. In addition, the sector in Europe is benefiting from growing pressure from regulatory authorities to dispose of unused radiation sources from medical and industrial users. The segment's two largest application areas – medical and industry – remain strong. Owing to the stable supply chain, the market share was expanded in these two mature markets, and the prospects for 2024 are positive. Sales with external customers are expected to amount to around € 140 million and EBIT before special items to around € 24 million.

4.4 FUTURE BUSINESS DEVELOPMENT IN THE MEDICAL SEGMENT

In the Medical segment, it is becoming apparent that the demand of pharmaceutical companies for radiopharmaceutical products and services is growing unabated. Revenue in this area continues to rise in double-digit amounts. Interest remains high for qualified services in relation to development, the construction of production facilities and contract manufacturing. The announced market approvals of new products are expected to provide momentum for pharmaceutical radiodiagnosics, specifically the radionuclide generator GalliaPharm®. The increasing number of approved radiotherapeutic agents in clinical trials will stimulate demand for therapeutic isotopes. Eckert & Ziegler received GMP manufacturing authorisation for the therapeutic nuclide Lu-177 at its site in Braunschweig in 2023 and expects revenue to continue growing in 2024. In view of the planned start of production of Ac-225 in the second half of 2024, several supply contracts for this nuclide were concluded with pharmaceutical customers in the past year. The segment is therefore forecasting revenue with external customers of just under € 125 million in 2024 with EBIT before special items of around € 28 million.

4.5 FUTURE BUSINESS DEVELOPMENT IN THE OTHER SEGMENT

Because of the strategic alignment of the Other segment, the Executive Board again expects that no external revenue will be generated in the 2024 financial year. The segment is forecasting EBIT before special items from continuing operations of around € -2 million.

4.6 FUTURE BUSINESS DEVELOPMENT IN THE GROUP

Building on the above, the Executive Board hopes to build on the operating result of the 2023 financial year and achieve EBIT before special items from continuing operations of around € 50 million in 2024. The associated expectation for revenue is nearly € 265 million. The forecast is conditioned on a weighted average exchange rate of USD 1.15 per euro and the assumption that Eckert & Ziegler will again not suffer any significant upheavals from the war in Ukraine.

4.7 FUTURE BUSINESS DEVELOPMENT OF ECKERT & ZIEGLER STRAHLEN- UND MEDIZINTECHNIK AG

For 2024, Eckert & Ziegler Strahlen- und Medizintechnik AG expects to post revenue of around € 12 million. The forecast revenue is thus above the level of the previous year. In operational terms, EBIT before special items is expected to total € -2 million. It will be offset by planned income of € 32 million from dividends and profit transfers.

5. OTHER DISCLOSURES

5.1 EU TAXONOMY

5.1.1 EU taxonomy

The aim of the EU taxonomy is to promote investment flows from the financial sector to companies that are engaged in ecologically sustainable activities. It is intended to help the European Union implement the European Green Deal. In this regard, the objective is to reduce net emissions from greenhouse gases in the EU to zero by 2050. Against this background, the EU Taxonomy Regulation went into force in mid-2020, which establishes a unified, legally binding classification system for determining which economic activities in the EU are considered environmentally sustainable. On the basis of the defined requirements, the EU-wide classification of economic activities is made with respect to their contribution to the following six environmental objectives:

- (1) Climate change mitigation
- (2) Climate change adaptation
- (3) Sustainable use and protection of water and marine resources
- (4) Transition to a circular economy
- (5) Pollution prevention and control
- (6) Protection and restoration of biodiversity and ecosystems

With respect to the classification of an economic activity as “environmentally sustainable” within the meaning of the EU taxonomy, a distinction must be made between taxonomy-eligible and taxonomy-compliant. As a first step, it must be examined whether an economic activity is described in the delegated act and thus is taxonomy-eligible. Only taxonomy-eligible economic activities may be considered “economically sustainable” when they meet certain criteria. Then, in a second step, it must be evaluated whether the specified technical screening criteria are met in order to be classified as taxonomy-compliant.

For the 2023 year under review, the only business activities to be considered are those that contribute substantially to the two environmental objectives “climate change mitigation” and “climate change adaptation”. The description of the economic activity in the delegated act establishes which economic activities may as a general rule be taken into consideration.

As a company that is obliged to submit a non-financial statement, Eckert & Ziegler is required under Article 8(1) of the Taxonomy Regulation to disclose information on how and to what extent our activities are linked to economic activities that are categorised as “environmentally sustainable” under EU taxonomy legislation. Furthermore, Eckert & Ziegler is obliged to report the indicators defined in the Taxonomy Regulation.

5.1.2 Taxonomy-eligible economic activities

We have compared our company activities with the activities defined in annexes 1 and 2 of the delegated act of 4 June 2021 across all business divisions, including our Isotope Products, Medical and Other segments. None of Eckert & Ziegler's core business activities are classified as taxonomy-eligible. The analysis showed that no revenue-generating activity within the meaning of the EU taxonomy is undertaken at this time. With the economic activities currently covered by the taxonomy, the Technical Expert Group on Sustainable Finance (TEG) has prioritised the sectors that are responsible for 93.5% of all direct greenhouse gas emissions in the EU. The taxonomy thus covers the economic sectors of forestry, agriculture, production of goods/manufacturing, energy supply, water supply, sewage and waste disposal and the removal of environmental pollution, transport and storage, information and communication and construction. Eckert & Ziegler's business activities are not among these. Eckert & Ziegler produces only small quantities for its products and is, therefore, generally considered a low emitter of carbon dioxide. Above all, however, all energy-intensive raw materials are produced in a climate-neutral manner, since Eckert & Ziegler procures its output materials mainly from operators of nuclear reactors.

5.1.3 Calculation of taxonomy indicators

Revenue

By revenue, the EU taxonomy means net revenue from goods or services. The proportion of revenue derived from taxonomy-eligible economic activities (numerator) is then divided by the net revenue shown on the income statement (denominator).

Capital expenditure

Capital Expenditure (CapEx) within the meaning of the EU taxonomy covers additions to property, plant and equipment and intangible assets during the financial year under consideration. This includes additions to property, plant and equipment and intangible assets that result from company mergers. Eckert & Ziegler makes reference to the capital expenditure shown in the notes (denominator). Of this, the proportion of the taxonomy-eligible capital expenditure is to be specified (numerator). Data collection and the detailed analysis are handled by Controlling.

Operating expenditure

Operating expenditure (OpEx) within the meaning of the EU taxonomy covers direct, non-capitalised costs that relate to research and development, building renovation measures, short-term leasing, maintenance and repair. Eckert & Ziegler makes reference to the expenditure for maintenance and repair, renovation, research and development, and costs for short-term leasing (denominator). Of this, the proportion of the taxonomy-eligible capital expenditure is to be specified (numerator). Data collection and the detailed analysis are handled by Controlling.

5.1.4 Presentation of taxonomy indicators

5.2 NON-FINANCIAL REPORTING

Eckert & Ziegler is committed to sustainably aligning its corporate activities with a balanced relationship between economic, social and environmental aspects. Only then can we ensure the long-term success of the company. For further information, please refer to our sustainability report on our website at www.ezag.com > *Investors* > *Reports*.

5.3 REMUNERATION REPORT

Section 162 AktG now obliges listed companies to prepare a separate, joint remuneration report for the Executive Board and the Supervisory Board. This must be published on the company's website for at least ten years.

The remuneration report is published separately and is available on our website at: www.ezag.de > *Investors* > *Corporate Governance*.

5.4 INFORMATION REQUIRED UNDER TAKEOVER LAW

The share capital of the company amounted to €21,171,932 on 31 December 2023 (previous year: €21,171,932) and is divided into 21,171,932 no-par value bearer shares. Each share represents one vote and is entitled to a share in profit. There are no shares with multiple, preferential or maximum voting rights.

There are no material agreements subject to a change of control as the result of a takeover bid. Furthermore, there are no agreements with members of the Executive Board or employees regarding compensation in the event of a takeover bid.

The Executive Board is not aware of any restrictions concerning voting rights or the transfer of shares.

Under the German Securities Trading Act (WpHG), every investor who reaches, exceeds or falls below certain amounts of voting rights in the company by way of acquisition, sale or any other action is required to notify the company and the German Federal Financial Supervisory Authority (BaFin). The lowest threshold for the disclosure of voting rights is 3%. Direct or indirect participations in the capital of the company that exceed 10% of the voting rights were disclosed to the company as follows:

As at 31 December 2023, the Chairman of the Supervisory Board, Dr Andreas Eckert, held 6,589,960 shares indirectly through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal, Germany, and 4 shares directly, representing a total of 31.1% of the share capital of Eckert & Ziegler Strahlen- und Medizintechnik AG of 21,171,932 shares. As at 31 December 2023, the total holdings of the remaining members of the Supervisory Board and members of the Executive Board and of shares issued by Eckert & Ziegler Strahlen- und Medizintechnik AG amounted to less than 1% of the share capital.

Shares with special rights that confer powers of control did not and do not exist.

The Executive Board manages the company and represents it in dealings with third parties. Section 84 AktG governs the appointment and dismissal of members of the Executive Board. The Supervisory Board appoints the members of the Executive Board for a term of office of not more than five years. Repeat appointments or extensions of the term of office for a maximum of another five years are permissible. Such repeat appointments or extensions require another resolution by the Supervisory Board; this cannot be adopted earlier than one year prior to the expiry of the current term of office. The Supervisory Board can appoint a member of the Executive Board to the position of Chairman of the Executive Board. The Supervisory Board can revoke an appointment to the Executive Board and the appointment of a member of the Executive Board as Chairman of the Executive Board for good cause. Possible causes include serious breach of duty, the inability to properly manage business and a vote of no confidence by the Annual General Meeting.

In accordance with Article 6 of the Company's Articles of Association, the Executive Board consists of one or more members. The Supervisory Board determines the number of members of the Executive Board.

The company's Articles of Association contain general provisions on the form of the company. Pursuant to Section 179 AktG, any amendments to the company's Articles of Association are subject to the approval of the Annual General Meeting by at least a majority of three-quarters of the share capital represented at the time the resolution is adopted. The Supervisory Board is authorised to make amendments to the Articles of Association that relate only to version. It is furthermore authorised to amend the Articles of Association in the event that shares are issued up to the full amount of the Authorised Capital as well as after the end of the authorisation period for issuing shares up to the full amount of Authorised Capital.

The Executive Board was authorised, subject to the approval of the Supervisory Board, to increase the company's share capital on one or more occasions on or before 29 May 2023 by up to €264,649 by issuing new no-par-value bearer shares in exchange for cash contributions and/or contributions in kind (authorised capital). The new shares were generally to

be offered to the shareholders for subscription; they could also be taken over by one or more banks or one or more equivalent institutions with the obligation to offer them to the shareholders for subscription.

The Executive Board could, with the approval of the Supervisory Board:

- exclude shareholders' subscription rights up to an amount not exceeding 10% of the share capital existing at the time of the exercise of this authorisation, in order to issue the new shares in exchange for cash contributions at an issue price that is not significantly lower than the market price of the company's shares of the same class that are already listed. Treasury shares of the company that were sold during the period of this authorisation under exclusion of shareholders' subscription rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) were counted towards this 10% limit. Furthermore, when calculating the 10% limit, shares issued or to be issued during the period of this authorisation to service convertible bonds and/or bonds with warrants were taken into account provided that the bonds were issued under exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG;
- exclude shareholders' subscription rights for the purpose of acquiring contributions in kind, in particular, through the acquisition of companies or participations in companies or through the acquisition of other assets, including rights and claims, if the acquisition is in the company's best interest and should be completed in exchange for the issue of shares in company;
- exclude shareholders' subscription rights to the extent necessary to grant holders of convertible bonds and/or bonds with warrants issued by the company or its subsidiaries a subscription right to new shares to the extent to which they are entitled after exercising their conversion or option rights;
- exclude shareholders' subscription rights to offer the new shares to employees of the company or its affiliated undertakings in return for cash contributions;
- exclude shareholders' subscription rights to compensate for fractional amounts.

In addition, the Executive Board is authorised, with the approval of the Supervisory Board, to specify further details pertaining to the capital increase and its implementation, particularly the substance of the rights attached to the shares and the other terms of the issue, including the issue price. The Supervisory Board is authorised to amend the Articles of Association after the capital increase is completed and, if the company does not issue shares up to the full amount of the Authorised Capital by 29 May 2023, after the end of the authorisation period.

By resolution of the Annual General Meeting on 7 June 2023, the Executive Board is authorised until 6 June 2028 to acquire treasury shares up to a total of 10% of the share capital existing at the time of the resolution or – if this is lower – when the authorisation is exercised. The shares acquired on the basis of this authorisation, together with other treasury shares held by the company or attributable to it pursuant to Sections 71d and 71e AktG, may not at any time account for more than 10% of the respective share capital. The authorisation may be exercised in whole or in part, on one or more occasions, in pursuit of one or more purposes by the company or the Group companies, or by third parties on their behalf. The authorisation may not be used for the purpose of trading in treasury shares. At the discretion of the Executive Board, the shares may be acquired via the stock exchange or by means of a public purchase offer addressed to all shareholders or by means of a public invitation to submit such an offer.

- If the shares are acquired via the stock exchange, the purchase price per share paid by the company (excluding ancillary acquisition costs) may not exceed the average closing price of the company's shares on the Exchange Electronic Trading (Xetra) electronic trading system (or a corresponding successor system) on the Frankfurt Stock Exchange by more than 10% or fall below it by more than 25% on the five trading days preceding the acquisition.
- If the purchase is made on the basis of a public purchase offer or a public invitation to submit such an offer, the purchase price offered and paid for a share (excluding ancillary purchase costs) may be up to 20% above or 20% below the highest closing price of the company's share in the electronic trading system Exchange Electronic Trading (Xetra) (or a corresponding successor system) on the Frankfurt Stock Exchange on the third trading day prior to the publication of the purchase offer. The acquisition offer or the public request to make such an offer may provide for other conditions. The acquisition offer may be modified if the trading price diverges significantly from the offered acquisition price or from the boundary values of any offered price range following publication of the acquisition offer or the public request to make such an offer. In such case, the cut-off date is the day on which the decision by Executive Board to adjust the offer or the request to make such an offer is published. In the case of a public acquisition offer, the company will make an offer to all shareholders in accordance with their shareholding ratio. The volume of the public acquisition offer may be limited. If the total subscription to the offer exceeds this volume, or in the case of a request to make such an offer, multiple offers are not all accepted, the acquisition takes place – under partial exclusion of any right to tender – in proportion to the tendered shares (tender ratios) instead of in proportion to the holding of the tendering shareholders (shareholding ratio). Similarly, in order to avoid fractional amounts, provision may be made for commercial rounding and preferred consideration of small quantities of up to 100 shares for the purpose of acquiring tendered shares of the company per shareholder, under partial exclusion of any right of the shareholders to tender.

- The Executive Board is authorised to use shares of the company acquired on the basis of this authorisation for all purposes permitted by law. In particular, the Executive Board may sell them through the stock exchange or an offer made to all shareholders. The uses include but are not limited to the following purposes:
- The shares may be redeemed without the redemption or its implementation requiring another resolution of the Annual General Meeting. They may also be redeemed in a simplified procedure without a capital reduction by adjusting the proportionate arithmetical amount of the remaining no-par-value shares in the company's share capital. The cancellation may be limited to part of the acquired shares. The authorisation to redeem shares may be exercised multiple times. If the redemption is carried out using the simplified procedure, the Executive Board is authorised to amend the number of no-par-value shares in the Articles of Association.
- The shares may also be sold in other ways than through the stock exchange or by an offer to all shareholders if the shares are sold for cash at a price that is not significantly below the arithmetic mean of the XETRA closing prices of the company's shares on the Frankfurt Stock Exchange on the last five trading days preceding the sale. In this case, the number of shares to be sold that were issued in corresponding application of Section 186(3) sentence 4 AktG (excluding subscription rights in exchange for cash contributions close to the market price) may not exceed 10% of the share capital, either at the time the resolution is passed or at the time the authorisation is exercised. Shares issued or sold in direct or analogous application of Section 186(3) sentence 4 AktG during the term of this authorisation up to this point in time are to be counted towards this limit. Shares issued during the term of this authorisation from authorised capital with the exclusion of subscription rights in accordance with Section 186(3) sentence 4 AktG are also to be included.
- The shares may be issued against contributions in kind, including in connection with the acquisition of companies, parts of companies or company participations and mergers of companies as well as the acquisition of other assets for the purpose of expanding business activities.
- The shares may be issued to employees of the company and its affiliated companies and to members of the management of affiliated companies and used to service rights to acquire or obligations to acquire shares in the company granted to employees of the company and its affiliated companies and members of the management of affiliated companies, in particular in connection with share-based remuneration or participation programmes and share programmes. They may be offered, promised and transferred to such persons for consideration or free of charge, whereby the employment relationship must exist at the time of the offer or promise. The shares may also be granted to members of the Supervisory Board as part of the remuneration, to the extent legally permissible in individual cases.
- Treasury shares may be used to fulfil obligations of the company arising from conversion rights or conversion obligations arising from convertible bonds issued by the company.

As at 31 December 2023, the company held 345,577 (previous year: 376,506) treasury shares with a nominal value of € 346 thousand (previous year: € 377 thousand), which are deducted from the outstanding capital in the balance sheet.

5.5 CORPORATE GOVERNANCE STATEMENT (SECTIONS 289F AND 315D HGB)

The company has issued a corporate governance statement, which is available on the website at www.ezag.com > *Investors* > *Corporate governance* > *Corporate governance statement*.

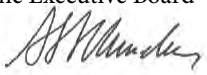
5.6 REPORT ON RELATIONSHIPS WITH AFFILIATED COMPANIES

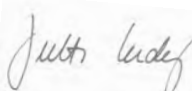
A report on relationships with affiliated companies was prepared containing the following declaration of the Executive Board:


“We declare that EZAG received appropriate consideration for each of the transactions listed in the report on relationships with affiliated companies under the circumstances known to us at the time that the transaction was entered into. No measures were taken or omitted at the request or in the interest of the controlling company or one of the companies affiliated with it.”

Berlin, 19 March 2024

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board


Dr Harald Hasselmann


Jutta Ludwig


Franklin Yeager

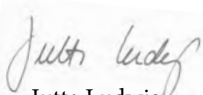
6. RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD (BALANCE-SHEET OATH)


We assure to the best of our knowledge, and in accordance with applicable accounting principles, that the annual and consolidated financial statements present a true and accurate view of the net assets, financial position and financial performance of the company and the Group, and that the combined management report provides a true and accurate presentation of the development and performance of the business and the position of the company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the company and the Group.

Berlin, 19 March 2024

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board


Dr Harald Hasselmann


Jutta Ludwig


Franklin Yeager

3

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT*			
€ thousand	Note	2022	2023
Revenue	12	222,229	246,092
Cost of sales	13	-115,477	-129,749
Gross profit on revenue		106,752	116,343
Selling expenses	14	-22,913	-24,522
General administrative expenses	15	-35,417	-39,269
Impairment gains/losses in accordance with IFRS 9	44	-565	-139
Other operating income	18	5,425	2,958
Other operating expenses	19	-6,310	-8,374
Net operating income		46,972	46,996
Net income from participations measured at equity	20	461	311
Net income from the measurement of financial instruments	44	427	-369
Foreign exchange gains	21	2,855	1,795
Foreign exchange losses	21	-1,551	-2,240
Loss according to IAS 29 (hyperinflation)		-2,360	-1,041
Earnings before interest and taxes (EBIT)		46,804	45,452
Interest income	22	234	846
Interest expenses	22	-1,773	-3,993
Earnings before taxes (EBT)		45,265	42,306
Income taxes	23	-13,904	-11,824
Result from continuing operations		31,361	30,482
Result from discontinued operations		-1,614	-3,714
Consolidated net income from continuing and discontinued operations		29,747	26,768
Profit (+)/loss (-) attributable to non-controlling interests	24	-469	-468
Share of net income attributable to shareholders of Eckert & Ziegler AG		29,278	26,300
Earnings per share from continuing and discontinued operations	25		
Undiluted (€ per share)		1.41	1.26
Diluted (€ per share)		1.41	1.26
Earnings per share from continuing operations			
Undiluted (€ per share)		1.51	1.46
Diluted (€ per share)		1.51	1.46
Earnings per share from discontinued operations			
Undiluted (€ per share)		-0.10	-0.20
Diluted (€ per share)		-0.10	-0.20
Average number of shares in circulation (undiluted – in thousand units)		20,763	20,811
Average number of shares in circulation (diluted – in thousand units)		20,798	20,824

(*) Due to IFRS 5 and reclassification of IAS 29 to the financial result, change in presentation of previous year's figures

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
€ thousand	Note	2022	2023
Consolidated net income		29,747	26,768
thereof attributable to shareholders of Eckert & Ziegler		29,278	26,300
thereof profit (+)/loss (-) attributable to non-controlling interests		469	468
Items that will be reclassified to the income statement in the future under certain circumstances			
Exchange rate differences from the translation of foreign business operations incurred during the financial year		5,448	-6,023
Exchange rate differences from the translation of foreign business operations	36	5,448	-6,023
Items that will not be reclassified to the income statement in the future			
Gains (+)/losses (-) on equity instruments designated at fair value through other comprehensive income in other net income		-554	0
Deferred taxes		167	0
Net income/expense from equity instruments designated at fair value through other comprehensive income in other net income		-387	0
Gain (+)/loss (-) on defined benefit pension commitments	39	2,759	-559
Deferred taxes		-871	176
Net gain from the remeasurement of the defined benefit obligation		1,888	-383
Total amount of items that will not be reclassified to the income statement in future		1,501	-383
Other comprehensive income after taxes		6,949	-6,406
Consolidated comprehensive income		36,696	20,362
Consolidated comprehensive income attributable to:			
Shareholders of Eckert & Ziegler AG		36,182	19,927
Non-controlling interests		514	435

CONSOLIDATED BALANCE SHEET			
€ thousand	Note	31/12/2022	31/12/2023
Assets			
Non-current assets			
Goodwill	26	43,141	35,723
Other intangible assets	26	53,865	13,056
Property, plant and equipment	27	85,130	82,892
Right-of-use assets (IFRS 16)	28	26,495	28,928
Interests in associates and joint ventures	30	13,972	32,111
Deferred tax assets	23	8,563	11,650
Other non-current assets	29	1,935	1,350
Total non-current assets		233,102	205,710
Current assets			
Cash and cash equivalents	31	82,701	67,998
Securities		0	0
Trade receivables	32	37,171	43,720
Contract assets*	35	2,954	3,651
Inventories*	33	39,278	39,934
Income tax receivables	23	5,909	7,065
Other current assets	34	6,342	5,955
Non-current assets held-for-sale		0	65,332
Total current assets		174,355	233,654
Total assets		407,456	439,364
Liabilities			
Equity			
	36		
Subscribed capital		21,172	21,172
Capital reserves		66,607	66,894
Retained earnings		123,177	139,071
Other reserves		4,681	-1,693
Treasury shares		-3,570	-3,269
Equity attributable to shareholders of Eckert & Ziegler AG		212,067	222,176
Non-controlling interests	24	1,562	1,917
Total equity		213,629	224,093
Non-current liabilities			
Non-current loan liabilities	37	22,400	20,036
Non-current lease liabilities (IFRS 16)	28	24,497	27,320
Deferred income from grants and other deferred income (non-current)	38	2,250	2,005
Deferred tax liabilities	23	5,082	1,330
Provisions for pensions	39	10,271	10,963
Other non-current provisions	40	61,989	68,142
Other non-current liabilities	41	10,686	1,791
Total non-current liabilities		137,174	131,586
Current liabilities			
Loans and financial lease liabilities	37	0	6,352
Current lease liabilities (IFRS 16)	28	2,690	2,596
Trade payables	44	8,340	5,868
Advance payments received*	42	6,158	4,540
Deferred income from grants and other deferred income (current)	38	37	272
Income tax liabilities	23	3,872	5,874
Other current provisions	40	4,571	6,438
Other current liabilities	43	27,498	23,883
Contract liabilities*	35	3,488	6,041
Liabilities directly associated with assets held for sale		0	21,821
Total current liabilities		56,653	83,685
Total assets		407,456	439,364

(*) Change in presentation of customer-specific manufacturing contracts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
	Ordinary shares			
Amounts in € thousand, excluding subscribed capital	Number	Nominal value	Capital reserves	Retained earnings
Balance as at 1 January 2023	21,171,932	21,172	66,607	123,177
Total income and expenses recognised directly in equity recognised directly in equity	0	0	0	0
Consolidated net income	0	0	0	26,300
Consolidated comprehensive income	0	0	0	26,300
Dividends paid	0	0	0	-10,406
Acquisition of non-controlling interests	0	0	0	0
Share-based remuneration	0	0	287	0
Use of treasury shares for acquisitions	0	0	0	0
Balance as at 31 December 2023	21,171,932	21,172	66,894	139,071

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
	Ordinary shares			
Amounts in € thousand, excluding subscribed capital	Number	Nominal value	Capital reserves	Retained earnings
Balance as at 1 January 2022	21,171,932	21,172	66,162	106,223
Total income and expenses recognised directly in equity recognised directly in equity	0	0	0	0
Consolidated net income	0	0	0	29,278
Consolidated comprehensive income	0	0	0	29,278
Dividends paid	0	0	0	-10,382
Acquisition of non-controlling interests	0	0	0	-1,942
Sale of own shares	0	0	0	0
Share-based remuneration	0	0	-651	0
Use of treasury shares for acquisitions	0	0	1,096	0
Use of own shares for employee remuneration	0	0	0	0
Capital increase	0	0	0	0
Balance as at 31 December 2022	21,171,932	21,172	66,607	123,177

Cumulative other Comprehensive income						
Unrealised net income/expense from actuarial gains/losses	Unrealised net income/expense from securities	Foreign exchange translation differences	Treasury shares	Equity attributable to shareholders of Eckert & Ziegler AG	Non-controlling interests	Consolidated equity
-1,709	0	6,390	-3,570	212,067	1,562	213,629
-383	0	-5,990	0	-6,373	-33	-6,406
0	0	0	0	26,300	468	26,768
-383	0	-5,990	0	19,927	435	20,362
0	0	0	0	-10,406	-332	-10,738
0	0	0	0	0	252	252
0	0	0	301	588	0	588
0	0	0	0	0	0	0
-2,092	0	400	-3,269	222,176	1,917	224,093

Cumulative other Comprehensive income						
Unrealised net income/expense from actuarial gains/losses	Unrealised net income/expense from securities	Foreign exchange translation differences	Treasury shares	Equity attributable to shareholders of Eckert & Ziegler AG	Non-controlling interests	Consolidated equity
-3,597	387	987	-3,942	187,392	5,134	192,526
1,888	-387	5,403	0	6,904	45	6,949
0	0	0	0	29,278	469	29,747
1,888	-387	5,403	0	36,182	514	36,696
0	0	0	0	-10,382	-359	-10,741
0	0	0	0	-1,942	-3,727	-5,669
0	0	0	0	0	0	0
0	0	0	87	-564	0	-564
0	0	0	285	1,381	0	1,381
0	0	0	0	0	0	0
0	0	0	0	0	0	0
-1,709	0	6,390	-3,570	212,067	1,562	213,629

CONSOLIDATED CASH FLOW STATEMENT *			
€ thousand	Note	2022	2023
Cash flow from operating activities	45		
Consolidated earnings from continuing operations		31,361	30,482
Adjustments for:			
Depreciation, amortisation and impairments		10,866	13,374
Net interest income [interest expense (+)/income (-)]		1,539	3,146
Income tax expense		13,904	11,824
Income tax payment		-16,798	-13,719
Non-cash income from the release of deferred grants		0	-310
Gain (-)/loss (+) in connection with investing activities		-2,936	-825
Change in non-current provisions, other non-current liabilities		-98	7,372
Change in other non-current assets and receivables		-606	583
Other non-cash events		696	-2,228
Changes in current assets and liabilities:			
Receivables		-2,055	-8,911
Inventories		-11,295	10,499
Change in other current assets		3,734	-4,734
Change in current liabilities and provisions		9,640	-1,353
Cash inflow from operating activities – continuing operations		37,952	45,200
Cash outflow/inflow from operating activities – discontinued operations		-3,654	2,197
Cash flow from operating activities		34,298	47,397
Cash flow from investing activities	46		
Payments for intangible assets and property, plant and equipment		-27,084	-26,276
Proceeds from the sale of intangible assets and property, plant and equipment		24	91
Payments for acquisitions (net of cash acquired)		-10,761	-4,660
Payments for interests in companies consolidated at equity		-2,187	0
Proceeds from participations		1,039	632
Proceeds from the sale of securities		1,178	0
Disposal from deconsolidation		794	-7,592
Cash outflow from investing activities - continuing operations		-36,997	-37,805
Cash outflow from investing activities – discontinued operations		-4,046	-4,940
Cash outflow from investing activities		-41,043	-42,745
Cash flow from financing activities	47		
Payment by the Group holding company to the discontinued operations		-5,456	-11,358
Dividends paid		-10,382	-10,406
Distributions on third-party interests		-359	-332
Deposits from the taking out of loans		24,183	17,200
Disbursements for the payment of loans and lease liabilities		-12,187	-15,776
Disbursements for the acquisition of non-controlling interests		-5,669	0
Income from the sale of interests in consolidated companies		0	481
Interest received		219	830
Interest paid		-1,512	-1,280
Cash outflow from financing activities – continuing operations		-11,163	-20,641
Cash inflow from financing activities – discontinued operations		5,456	11,358
Cash outflow from financing activities		-5,707	-9,283
Changes in cash and cash equivalents resulting from exchange rates		1,494	-371
Decrease in cash and cash equivalents		-10,958	-14,703
Cash and cash equivalents at the beginning of the period		93,659	82,701
Cash and cash equivalents at the end of the period before reclassification		82,701	77,699
Reclassification of cash and cash equivalents to discontinued operations		0	-9,701
Cash and cash equivalents at the end of the period after reclassification		82,701	67,998

(*) Due to IFRS 5 change in presentation of previous year's figures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023

The Executive Board approved the consolidated financial statements for submission to the Supervisory Board on 91 March 2022. The Supervisory Board is responsible for reviewing and approving the consolidated financial statements. After publication, the financial statements can no longer be amended.

FUNDAMENTALS, PRINCIPLES AND METHODS

1 | ORGANISATION AND DESCRIPTION OF BUSINESS ACTIVITIES

In the current 2022 financial year, Eckert & Ziegler AG "Eckert & Ziegler Strahlen- und Medizintechnik AG" will change its legal form to a European stock corporation (SE) and will then operate under the name "Eckert & Ziegler SE". As this report relates to the 2022 financial year, the AG legal form is still used here.

Eckert & Ziegler Strahlen- und Medizintechnik AG (hereinafter referred to as "Eckert & Ziegler AG") is a holding company with specialised subsidiaries worldwide engaged in the processing of radioisotopes and the development, production and sale of isotope technology components, radiopharmaceuticals and related products. The Group's products are primarily used in cancer therapy, nuclear medical imaging and industrial metrology. In these areas, Eckert & Ziegler AG and its subsidiaries directly address the needs of radiation therapists, radiation oncologists, and nuclear medicine specialists, on the one hand, and, as manufacturer of precursors, those of companies that manufacture and sell radiopharmaceuticals, on the other.

Eckert & Ziegler Strahlen- und Medizintechnik AG is a listed company under German law and parent company of the Eckert & Ziegler Group. It has its registered office at Robert-Rössle-Str. 52131, 01 Berlin (Germany), and is registered in the commercial register of the local court of Berlin-Charlottenburg (Germany) under the registration number HRB 79946B.

2 | ACCOUNTING PRINCIPLES

The consolidated financial statements of Eckert & Ziegler AG as at 13 December 2022 were prepared in accordance with the International Financial Reporting Standards (IFRS). The statements comply with all standards of the International Accounting Standards Board (IASB), London, to be applied in the EU on the reporting date, the relevant interpretations of the IFRS Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC), as well as the provisions of the German Commercial Code (HGB), which apply in addition pursuant to Section 513e (1) HGB. The consolidated financial statements present a true and accurate view of the Group's net assets, financial position and financial performance.

The reporting currency is the euro. The amounts shown in the consolidated financial statements are rounded to the nearest thousand euros.

The financial statements of the subsidiaries were prepared as at the reporting date for the consolidated financial statements, which corresponds to the reporting date for Eckert & Ziegler AG. The consolidated financial statements cover the reporting period from 1 January to 13 December 2022. The consolidated income statement was prepared in accordance with the cost-of-sale method. Other net income was presented in the consolidated statement of comprehensive income.

The consolidated financial statements and combined management report prepared as at 13 December 2022 are published in the Federal Gazette (Bundesanzeiger). Eckert & Ziegler AG prepares the consolidated financial statements for the smallest and the largest group of companies.

Since 1 January 2022, annual financial reports have been published in the uniform ESEF format – European Single Electronic Format.

3 | SIGNIFICANT ACCOUNTING POLICIES

Accounting policies – Uniform accounting policies, which were also used for the comparative information of the previous year, are applied for the recognition of assets and liabilities of the domestic and foreign subsidiaries included by way of full consolidation. A subsidiary is a company that is controlled by Eckert & Ziegler AG: Control exists if Eckert & Ziegler is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Recognition – The balance sheet is classified according to maturity. Assets and liabilities are recognised as current if they are due within one year or within one operating cycle or are held primarily for trading purposes. Accordingly, assets and liabilities are classified as non-current if they remain in the Group for longer than one year or longer than one operating cycle. Trade receivables and payables, contract assets and liabilities and inventories are generally recognised as current items. Deferred tax assets and -liabilities are recognised as non-current.

Measurement – The consolidated financial statements are based on the principle of historical cost, with the exception of financial instruments, such as certain financial instruments, which are recognised at their fair value on the reporting date.

Estimation uncertainties – When preparing the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that affect the amount and presentation of recognised assets and liabilities and income and expenses. Significant assumptions and estimates are made for the useful lives (see Note 28, Note 40), the recoverable amount of intangible assets and property, plant and equipment (see Note 26), the realisability of receivables (see Note 17), the recognition and measurement of provisions (see Note 40) and of financial instruments (see Note 44), contract assets and liabilities (see Note 35), the determination of the borrowing rate for leases (see Note 28) as well as the realisability of deferred tax assets (see Note 23). Estimation uncertainties also exist because of the restrictions introduced by Russia in July 2022 concerning the foreign repatriation of income from participations in Russian companies, as well as the increased risk of capital loss in the case of associates in Russia, the at-equity interests in associates domiciled in Russia were written down by 15%. In addition, the assumptions and estimation uncertainties in the revenue recognised according to the stage of completion over a period of time for customer-specific production orders are in the range of the planned costs of the individual projects. The premises underlying these assumptions and estimates are based on the knowledge currently available at the given time. Actual amounts may differ from the originally expected estimates because conditions might develop differently than assumed. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognised prospectively.

Discretionary decisions in applying accounting policies

- Non-current intangible assets and property, plant and equipment are recognised in the balance sheet at amortised cost. No use was made of the option to measure these assets at fair value.
- Investments in which the Group has a significant influence despite holding less than 20%, e.g. due to exclusive long-term supply contracts, are included in the Group as associates.

Goodwill – Goodwill represents the difference between the total purchase price for a company or business operation and the fair value of the acquired net assets. Goodwill is not amortised. In accordance with IAS 36, it is tested for impairment annually or more frequently if there is indication that the goodwill might be impaired, and where this is the case, it is written down to the recoverable amount. Impairment losses relating to goodwill are not reversed.

Other **intangible assets** – Customer relationships, capitalised development costs, patents, technologies, restraints on competition, software, licences and similar rights are presented under other intangible assets.

Development costs are capitalised as intangible assets if the requirements for capitalisation of internally generated intangible assets in accordance with IAS 38 are cumulatively met, i.e. specifically if all of the following criteria are met:

- Technical feasibility of completing the intangible asset
- Intention to complete the intangible asset and use or sell it
- Ability to use or sell the intangible asset
- Existence of a market for or an internal use of the intangible asset
- Availability of technical and financial resources to complete the development
- Ability to reliably measure the expenditure attributable to the development

Capitalised development costs consist of all directly attributable costs, which are incurred from the date when all capitalisation criteria have been met. After successful completion of the development project, capitalised development costs are amortised over the planned economic life of the product, and the amortisation of capitalised development costs is presented under cost of sales. According to IAS 38.108, intangible assets with an indefinite useful life are not amortised on a regular basis, but are subject to an annual impairment test in accordance with IAS 36.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – FUNDAMENTALS, PRINCIPLES AND METHODS

Research costs, along with development costs not eligible for capitalisation, are expensed as incurred.

Intangible assets are capitalised at cost and, provided that these are intangible assets with finite useful lives, are amortised over their respective useful lives. Intangible assets are amortised over the following estimated useful lives:

	Internally generated	Acquired against payment
Customer relationships	—	8 to 15 years
Capitalised development costs	3 to 10 years	—
Patents, permits, trademarks, etc.	6 to 20 years	10 years
Other	3 to 5 years	3 to 5 years

Property, plant and equipment – Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. The cost of internally manufactured equipment and facilities includes all direct costs and allocated production overheads, as well as financing costs insofar as the requirements according to IAS 23 are met. Administrative costs are capitalised only if there is a direct connection to manufacturing. Routine maintenance and repair costs are recognised immediately as an expense. Costs for the replacement of components or for overhauls of property, plant and equipment are capitalised if it is likely that the Group will derive the future economic benefit and the costs can be reliably calculated. Where depreciable property, plant and equipment consist of key identifiable components with different useful lives, such components are depreciated separately over the respective useful life (IAS 16 components approach). If available, cost includes the estimated costs for the dismantling and removing the asset and restoring the site on which it is located. Internally manufactured facilities mainly relate to production lines. Depreciation is calculated on a straight-line basis. The depreciation period is determined based on the estimated useful life. The following useful lives are assumed:

Buildings	25 to 45 years
Leasehold improvements	10 to 15 years
Plant and machinery	4 to 10 years
Operating and office equipment	3 to 13 years
Land	is not depreciated

When assets are scrapped or sold, the cost of the assets and the related accumulated depreciation and impairment losses are derecognised and any gains or losses from the disposal are recognised in profit and loss.

A significant portion of the Group's depreciable assets is used to manufacture products. The Executive Board assesses the impairment of these assets by taking into account triggering events in the business environment. The Executive Board assumed that there was no impairment of usability as at 31 December 2023. However, the Executive Board's assessments regarding the ability to use and exploit the Group's depreciable assets may change, even in the short term, due to technological developments or changes in the regulatory environment.

Impairment of intangible assets and property, plant and equipment – Impairment losses are recognised on intangible assets and property, plant and equipment if, due to certain events or changed circumstances, the carrying amount of the assets exceeds the recoverable amount of these assets. The recoverable amount is the fair value less costs to sell or value in use, whichever is higher. Acquired goodwill and intangible assets with an indefinite useful life are tested for impairment at least once a year.

Assets are written up if their recoverable value exceeds their book value. The asset is written up to at most the amount that would have existed if the previous impairment losses had not been recognised. Impaired goodwill is not written up.

To carry out the impairment test, the acquired goodwill is allocated to those *cash generating units* (CGUs) that are expected to benefit from the synergies of the company and business acquisitions. A cash generating unit is the smallest identifiable group of assets that generates cash inflows from continued use and is largely independent of the cash inflows of other assets or other groups of assets. In the Isotope Products segment, the CGU corresponds to the segment as a whole, whereas in the Medical segment, four CGUs have been identified.

The Executive Board considers amounts that exceed 10% of the Group's total goodwill to be material. This criterion is met by the CGU of the Isotope Products segment and by the Medical Devices business unit CGU of the Medical segment.

Goodwill is tested for impairment by calculating the value in use based on estimated future cash flows, which are derived from the medium-term projections for the individual segments. The medium-term planning horizon is five years. Cash flows beyond the detailed planning period are forecast by extrapolating the projections using a 1% growth rate, which does not exceed the expected average market or industry growth.

The discount rates are calculated using the weighted average cost of capital (WACC) for the respective CGU. There is uncertainty with respect to estimates used in the following assumptions used in the calculation:

- Medium-term planning: Medium-term planning is based on past experience and takes into account market growth expectations specific to the business segment.

- Discount rates: The capitalisation interest rates were determined on the basis of the weighted average cost of capital customary in the industry.
- Growth rates: The growth rates are based on published industry-related market research.

Inventories – Inventories include raw materials and consumables, work in progress and finished goods and merchandise. Inventories are recognised at historical cost or net disposal value as at the reporting date, whichever is lower. In addition to direct costs, historical cost includes appropriate portions of the necessary material and production overheads as well as production-related depreciation and production-related administrative and social costs. Financing costs are not recognised as part of historical cost due to the short-term nature of the production process. Where necessary, the average cost method is applied in order to simplify the measurement.

Impairment losses for obsolete or excess inventories are recognised based on an inventory analysis and future revenue forecasts.

Trade receivables – A trade receivable is recognised when there is an unconditional right to consideration from the customer. After initial recognition, trade receivables are measured at amortised cost less impairment.

Cash and cash equivalents – Cash and cash equivalents include bank balances, cash in hand and short-term deposits with remaining terms of three months or less from the date of acquisition, such as overnight money.

Pension provisions – Pension obligations are measured on the basis of the *projected unit credit method* in accordance with IAS 19 (Employee Benefits). Under the projected unit credit method, future salary and pension trends are taken into account in measuring the obligation. In order to standardise Group procedures, actuarial gains and losses have been recognised in other comprehensive income with no impact on profit or loss in consideration of deferred taxes and presented in full in the pension provisions since 1 January 2009.

Provisions – Provisions are recognised only when a present obligation arises from past events. Provisions are recognised when it is more likely than not that an obligation has been incurred and the amount of the obligation can be reliably estimated. The amounts recognised as provisions represent the best estimate of the expenditure required to settle the present obligation as at the reporting date. Provisions with a maturity of more than 12 months are discounted.

Provisions for restoration and disposal obligations – Under IAS 16, the costs of dismantling and removing an item and restoring the site on which it is located are part of cost insofar as provisions for these costs have to be recognised in accordance with IAS 37.

Provisions for restoration obligations are based on public-law and contractual obligations to decontaminate assets and buildings contaminated with radioactivity, to determine by measurement that they are free from contamination and to make them accessible and usable again without danger once the assets are removed from service. Accordingly, the cost estimate includes labour costs for dismantling the facilities, costs for processing waste to allow for it to be disposed, room cleaning costs, costs for inspections by experts and the costs for disposal of radioactive waste. Provisions with a maturity of more than 12 months are discounted using an interest rate before taxes that reflects the risks pertaining to the debt. The accrued interest on the provision is recognised under interest expense.

Under IAS 37, provisions for restoration obligations are calculated in the amount needed to settle them. Provisions are recognised at the present value of the expenditures expected as at the reporting date. The calculation of the restoration obligations is based on various assumptions that reflect estimates. These include estimates of when the project will start, the number of working days required, daily rates and expected material costs. The amount of the provision allows for expected cost increases until the restoration work needs to be carried out. The amount of the obligation is reviewed as at each reporting date. In the event of changes to the amount, property, plant and equipment and provisions are adjusted accordingly.

In addition, radioactive waste arising from ongoing production and radioactive waste collected by third parties is included and measured at the expected cost of disposal or processing. Provisions are recognised at the present value of the expenditures expected as at the reporting date. The calculation of the disposal obligations is based on various assumptions that reflect estimates. This includes estimates of the reduction schedule, the number of working days required, daily rates and expected material costs. The amount of the provision allows for expected cost increases until the restoration work needs to be carried out. The amount of the obligation is reviewed as at each reporting date. These expenses are recognised under cost of sales.

Leasing – A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an identified asset is conveyed in many contracts, irrespective of their form, e.g. in rental, lease, and service contracts but also as part of outsourcing agreements. As a lessee, the Group recognises leases in accordance with the so-called right-of-use model (IFRS 16.22), irrespective of the economic (ownership) relationships concerning the leased object upon lease commencement. Lessees can elect not to apply the right-of-use model to intangible assets, other than those already explicitly excluded from the scope of IFRS 16.

Significant other options and practical expedients were exercised as follows:

- Right-of-use assets and lease liabilities are presented separately in the balance sheet.
- In accordance with IFRS 16.5, the Group elected to account for lease payments as an expense on a systematic basis for low-value leases (< € 5,000) and short-term leases with a lease term of twelve months or less.
- Where a contract provides for payments for lease components and non-lease components, the Group has elected, except for real estate leases, not to separate non-lease components from lease components in accordance with IFRS 16.15.

On initial recognition, the lease liability is recognised at the present value of the future lease payments; subsequent measurement is at amortised cost using the effective interest method. Extension or cancellation options are taken into account when determining the term, provided these are exercised with sufficient certainty.

Lease liabilities include the following lease payments over the term of the lease:

- Fixed payments
- Extension and cancellation options of the lessee, provided it is reasonably certain that these options will be exercised in the future
- Variable payments, if these depend on an index or interest rate
- Expected residual value payments under residual value guarantees
- The exercise price of a purchase option
- Payments of penalties for terminating the lease, if an option to terminate is exercised

Right-of-use assets are measured at historical cost, which comprises the following:

- Lease liability
- Initial direct costs
- Restoration obligations

Rights of use are amortised on a straight-line basis over the shorter of their useful life and the expected term of the lease. Rights of use are recognised as part of the impairment test for property, plant and equipment carried out in accordance with IAS 36.

Financial instruments – In accordance with IAS 32.11, all contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity are financial instruments.

Financial assets and liabilities are classified and recognised as follows in accordance with IFRS9 (see Note 44):

- **Financial assets** – Financial assets are classified into the measurement categories "at amortised cost" (AC), "at fair value through other comprehensive income" (FVTOCI) and "at fair value through profit or loss" (FVTPL).

The "at amortised cost" category includes all financial assets whose business model is linked to the objective of collecting the contractually agreed cash flows ("hold" business model). The contractual terms of the financial asset must also be structured in such a way that cash flows representing solely interest and amortisation occur at fixed points in time. In the Eckert & Ziegler Group, this includes in particular cash and cash equivalents and trade receivables. The Group assesses the objectives of the business model in which the financial asset is held at the level of the overall company, how the company is managed and the information provided to management. Financial instruments classified at amortised cost are measured at fair value plus transaction costs at the time of acquisition using the effective interest method. Subsequent measurement is also based on the effective interest method, taking into account impairments and repayments. Interest income (using the effective interest method), foreign currency gains and losses and impairment losses are recognised in profit or loss.

Measurement at fair value through other comprehensive income is to be applied to financial assets that have the objective of realising cash flows both by collecting the contractual payments and by selling them ("hold and sell" business model). The securities were part of the Eckert & Ziegler Group until they were sold in their entirety in 2022.

All financial assets that are not classified as at amortised cost or at fair value through other comprehensive income, i.e. financial assets classified as FVTPL, are measured at fair value through profit or loss at the time of acquisition and subsequently. The Eckert & Ziegler Group has financial assets categorised as "at fair value through profit or loss" in the form of freestanding derivatives (interest rate cap). In the case of financial instruments measured at fair value through profit or loss, transaction costs must be recognised directly in the income statement.

- **Financial liabilities** – Financial liabilities are classified in the categories "at amortised cost" (AC) and "at fair value through profit or loss" (FVTPL).

Financial liabilities in the "at amortised cost" category are mainly liabilities to banks and trade payables.

The Group measures financial liabilities at amortised cost. Additions are measured at fair value, which is amortised using the effective interest method or disposals made. All financial liabilities that are not categorised as AC are classified as at fair value through profit or loss and measured at fair value through profit or loss at the time of acquisition and in subsequent measurement.

Financial assets and financial liabilities were not reclassified after initial recognition. A regular way purchase or sale of financial assets is recognised or derecognised either on the trade date or the settlement date. The Group applies the trade date accounting method. The Eckert & Ziegler Group derecognises a financial asset when its contractual rights to receive cash flows from the financial asset expire, when it transfers its rights to receive contractual cash flows in a transaction or when substantially all the risks and rewards incidental to ownership of the financial asset are transferred. The Eckert & Ziegler Group derecognises a financial liability when the contractual obligations are fulfilled, cancelled or expire. Financial assets and liabilities are only offset and their net amount recognised in the consolidated balance sheet if there is a legal right to do so and the intention is to settle on a net basis or to realise the asset and settle the liability simultaneously.

Measurement of financial assets and liabilities – Financial assets and liabilities measured at fair value are categorised into the following levels of the fair value hierarchy accordance with IFRS 9:

- **Level 1:** The fair value is determined on the basis of quoted, unadjusted prices on active markets for these assets and liabilities.
- **Level 2:** The fair value of these assets and liabilities is determined based on parameters for which quoted prices, derived either directly or indirectly, are available on an active market.
- **Level 3:** The fair value of these assets and liabilities is determined based on parameters for which no observable market data is available.

Securities (equity instruments of listed companies) belong to level 1 of the measurement hierarchy.

The fair values of cash and cash equivalents, current receivables, trade payables, other current trade payables and other receivables essentially correspond to their carrying amounts. The primary reason for this is the short maturity of such instruments.

Derivative financial instruments such as swaps or caps are used only for hedging purposes. They belong to level 2 of the measurement hierarchy and are measured at fair value in the consolidated balance sheet, with changes in value recognised in profit or loss. Due to the high documentation requirements, the regulations on hedge accounting in accordance with IFRS 9 are not utilised.

Revenue recognition – Under IFRS 15, revenue is recognised when the control of goods or services is transferred to the customer. This means that the customer has the ability to direct the use of the transferred goods or services and obtain substantially all the remaining benefits. Revenue is recognised when there is an enforceable right to receive payment from the customer. Revenue corresponds to the contractually agreed transaction price.

If the agreed transaction price includes variable components, the "expected value" or a "most likely amount" method is used to calculate the amount of consideration.

The period between the transfer of goods or services to the customer and payment by the customer is one year or less. For this reason, no financing component is included in the transaction price. Where the contract has multiple identifiable performance obligations, the transaction price will be divided between the individual performance obligations based on the individual selling prices. As a rule, goods and services are sold at individual selling prices. The terms of payment usually provide for payment within 30 days of invoicing.

The Group essentially generates the following revenue:

- Revenue from the sale of goods: Revenue from the sale of goods is recognised at the time of delivery, because control is transferred to the customer at this point in time. Payment is due upon delivery.
- Revenue from the provision of services: Revenue from the provision of services is recognised at a point in time when the contractually agreed service is performed. Where an invoice is issued, the right to payment arises after the provision of a service.
- Revenue from customer-specific construction contracts: There are contracts with customers that regulate the provision of services over a certain period of time. In the case of these customer-specific contracts, advance payments and payments according to the progress of the project are generally agreed with the customer. The analysis of these contracts has shown that, in accordance with IFRS 15, revenue is recognised according to the progress of performance based on the ratio of the costs already incurred to the estimated total costs until the performance obligation has been met in full using the percentage of completion (POC) method. If one of the parties to the contract with the customer has fulfilled its contractual obligations, a contract asset, a contract liability or a receivable is recognised, depending on the relationship between the provision of services by the Group and payment by the customer. Contract assets and liabilities are recognised as current as they are incurred within the normal operating cycle. An expected loss from a contract is recognised immediately as an expense. In the percentage of completion method, the assessment of the degree of completion is of particular importance. The resulting material estimates include the estimated total costs, the total estimated revenue and the order risks. According to the percentage-of-completion method, changes in estimates can increase or decrease revenue.

Warranties: As a rule, the company assumes warranty obligations only if required to do so by law or where such obligations are customary in the industry.

Advertising – Advertising and other selling-related expenses are recognised through profit or loss when incurred.

Financial income and interest – Interest is recognised as income or expense using the effective interest method. Interest payments are recognised in the cash outflow from financing activities. Dividend income is recognised in profit and loss at the time at which the Group's legal claim to payment arises.

Income taxes – Income tax expense represents the sum of the current tax expense and deferred taxes. Current or deferred taxes are recognised in the consolidated income statement unless they relate to items recognised directly in equity in other comprehensive income. The current tax expense is determined on the basis of taxable income for the year. The Group's liability for current taxes is calculated based on the tax rates that are currently applicable or will be in the near future. Deferred tax assets and liabilities are recognised in accordance with IAS 12 in order to reflect the future tax effects arising from the temporary differences between the carrying amount of assets and liabilities reported in the consolidated financial statements and the relevant amounts in the tax accounts. In addition, deferred tax assets are recognised as loss carry-forwards. Deferred tax assets and liabilities are measured based on the statutory tax rates applicable to taxable income in the years when these temporary differences are expected to reverse. The effects of changes in tax rates on deferred tax assets and liabilities are recognised in the income statement in the financial year in which the changes to the law were adopted. Deferred tax assets are recognised only if it is likely that these assets will be recovered. Deferred taxes are measured using tax rates for future years, provided that they are specified by law or the legislative process has been essentially concluded. Deferred tax assets and liabilities are offset if the relevant requirements of IAS 12 are met. Under IAS 12, deferred taxes are classified as non-current assets or liabilities and are not discounted.

Current income taxes are calculated based on the respective national taxable income for the year and national tax regulations.

Investment subsidies and other grants – Grants are recognised in accordance with IAS 20.7 only if the company meets the conditions for obtaining the grant. Funds that the Group receives from public or private sources for investment or development projects are recognised as deferred income at the time of receipt. Grants for expenses are set off against the subsidised expenses in the financial year in which they are incurred. The deferred grants in the consolidated financial statements were granted for the purchase of property, plant and equipment, and for development costs. They are released through profit and loss over the useful life of the respective property, plant and equipment or intangible assets.

Earnings per share – The profit or loss per share is calculated by dividing the consolidated net income attributable to shareholders of Eckert & Ziegler AG by the average number of shares outstanding during the financial year. Diluted earnings per share reflects the potential dilution that would occur if all options to acquire ordinary shares were exercised at a price below the average share price for the period. It is calculated by dividing the portion of consolidated net income attributable to shareholders of Eckert & Ziegler by the sum of the average number of ordinary shares outstanding during the financial year and the dilutive shares arising from the exercise of all outstanding options (calculated by applying the treasury stock method).

Share-based remuneration – For several years, the Group has had a remuneration plan in place that provides for compensation in shares. Under this plan, members of the Executive Board and selected employees receive a portion of their performance-based remuneration components in the form of shares. The expenses for equity-settled share-based payments for employees (treasury shares) are recognised at fair value on the grant/commitment date. This expense is recognised in personnel expenses over the period in which the service is rendered and, if applicable, the performance conditions are met (the vesting period). This share-based payment is recognised in accordance with IFRS 2 with a corresponding increase in equity (retained earnings). The Group launched an employee share purchase programme (ESPP) on 1 January 2023 to give employees a direct stake in the company's success. The share-based payment anchored in the ESPP is also recognised in equity in accordance with IFRS 2.

Segment reporting – Pursuant to the so-called “management approach”, the segment reporting of the Eckert & Ziegler Group is geared to the internal organisational and reporting structure. The Group has three segments: the Medical segment, Isotope Products segment and Other segment.

Currency translation – Transactions denominated in a currency other than the functional currency of a business unit are recognised in the functional currency at the mean spot exchange rate on the date of initial recognition. At the end of the reporting period, the company measures monetary assets and liabilities denominated in foreign currencies in the functional currency at the mean spot exchange rate applicable at that time. The company recognises gains and losses from these foreign currency measurements in the income statement. Non-monetary consolidated balance sheet items in foreign currencies are recognised at historical exchange rates.

Financial reporting in hyperinflationary economies (IAS 29) – The financial statement of an entity whose functional currency is the currency of a hyperinflationary economy are adjusted to account for the changes in the currency's purchasing power and restated. As part of the inflation adjustment, the non-monetary balance sheet items (including equity) and the profit and loss accounts are adjusted by the change in the index [Internal Wholesale Price Index (IPIM) published by the National Institute of Statistics and Census (INDEC)], since the date the assets were recognised up to the reporting date. By contrast, monetary items, such as liquid assets, trade receivables and trade payables, are not indexed, i.e. their carrying amounts do not change. The inflationary gain or loss in the reporting period is recognised in the income statement in the financial result. The adjustment to equity caused by inflation as well as currency translation differences are netted within cumulative other comprehensive income and recognised under “Foreign currency translation differences”. In Argentina, prices in December 2023, measured by the consumer price index, rose by 211.4% compared to the same month in the previous year. This means that the inflation rate in December 2023 was above 100% for the eleventh month in a row.

Discontinued operations – A part of the Eckert & Ziegler Group whose business activities and cash flows can be clearly distinguished operationally and for accounting purposes from the remaining business activities is recognised as a “discontinued operation” if it has either been sold or is classified as “held for sale”. Discontinued operations are presented in a separate item in the consolidated income statement as the result of discontinued operations after taxes. If an operation is classified as a discontinued operation, the consolidated income statement and the consolidated statement of changes in equity for the comparative year are adjusted as if the operation had been classified as such from the beginning of the comparative year.

Changes in reporting compared to previous year

Recognition in the balance sheet of receivables from “Percentage of completion” under “Contract assets” or “Contract liabilities” instead of “Inventories” and “Advance payments received”

In the 2023 financial year, POC receivables, i.e. the work performed by the Group in connection with customer-specific construction contracts, were netted with the advance payments received on an order-related basis for the first time. If the POC receivables are higher than the advance payments received, the balance is reported under “Contract assets” (€ 3,651 thousand as at 31 December 2023). Conversely, if the advance payments received are higher than the POC receivable, the balance is reported under “Contract liabilities” (€ 6,041 thousand as at 31 December 2023). The previous year's figures were adjusted accordingly. Until 2022, the POC receivables (€ 12,337 thousand as at 31 December 2022) were still reported under “Inventories” and the advance payments (€ 12,870 thousand as at 31 December 2022) were reported unnetted under “Advance payments received”.

Recognition in the income statement of the loss in accordance with IAS 29 (hyperinflation)

Due to the high inflation in Argentina, the Group applies IAS 29. The financial statements of Tecnonuclear SA, Argentina, whose functional currency is the Argentinian peso, are adjusted to the current purchasing power at the end of the reporting period. Transactions for all individual months of 2023 and non-monetary items are revalued at the end of the reporting period to reflect the current price index on the reporting date. In accordance with IAS 29, the monetary loss of € 1,041 thousand has been recognised as a separate item in the income statement below the operating result in the financial result since the 2023 Annual Report. This results in a more reliable presentation of the Group's earnings position. The previous year's loss of € 2,360 thousand was adjusted accordingly. In the 2022 annual financial statements, this item was still recognised under “Other operating expenses”.

4 | NEW FINANCIAL REPORTING STANDARDS

The consolidated financial statements comply with all IASB, IFRIC, and SIC standards that are required to be applied in the EU as at the reporting date.

The following new or amended standards are mandatory for financial years beginning on or after 1 January 2023:

IFRS standard	Topic	Effective date according to the IASB	Adoption by the EU Commission
IFRS 17 and its amendments	Insurance contracts (published on 18 May 2017) including amendments (published on 25 June 2020)	01/01/2023	19 November 2021
Amendments to IAS 1	Presentation of financial statements and IFRS Practice Statement 2 – Guidance on the application of the materiality criterion in relation to the disclosure of accounting policies (published on 12 February 2021)	01/01/2023	2 March 2022
Amendments to IAS 8	Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates (published on 12 February 2021)	01/01/2023	2 March 2022
Amendments to IAS 12	Income taxes – Deferred taxes in connection with assets and liabilities arising from a single transaction (published on 7 May 2021)	01/01/2023	11 August 2022
Amendments to IFRS 17	Insurance Contracts – Presentation of Comparative Information on First-time Adoption of IFRS 17 and IFRS 9 (published on 9 December 2021)	01/01/2023	8 September 2022
Amendments to IAS 12	Income Taxes – International Tax Reform – Pillar Two Model Provisions (published on 23 May 2023)	immediately and 01/01/2023 ¹	8 November 2023

¹ Entities apply the exemption immediately, but the disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

The Group began to apply the amendments effective 1 January 2023, and this had no material effect on the consolidated financial statements.

The following amendments to standards have been approved by the IASB and have already been partially adopted by the European Union, but are only mandatory for financial years beginning on or after 1 January 2024:

IFRS standard	Topic	Effective date according to the IASB	Adoption by the EU Commission
Amendments to IFRS 16	Leases – Lease liability under a sale and leaseback agreement (published on 22 September 2022)	01/01/2024	20 November 2023
Amendments to IAS 1	Presentation of financial statements – disclosure of debt as current or non-current (published on 23 January 2020), deferral of effective date (published on 15 July 2020) and non-current liabilities with covenants (published on 31 October 2022)	01/01/2024	19 December 2023
Amendments to IAS 7 and IFRS 7	Cash flow statements and financial instruments: Disclosures – Supplier financing agreements (published on 25 May 2023)	01/01/2024	Pending endorsement by the EU
Amendments to IAS 21	Effects of exchange rate changes – lack of exchangeability (published on 15 August 2023)	01/01/2024	Pending endorsement by the EU

The Group is currently examining how the first-time application of the amended standards will affect the Group's net assets, financial position and results of operations. The exact extent of the impact on the Group cannot yet be reliably determined. The Group intends to apply IFRS as of the mandatory date, provided that this has been recognised as part of the endorsement process.

5 | CONSOLIDATION METHODS

The Group uses the acquisition method of accounting for capital consolidation in accordance with IFRS 3 and IFRS 10. Initial consolidation takes place at the time of acquisition, i.e. when control over the acquired company is obtained. Control is obtained by the company when it can exercise the authority to make decisions concerning the company, is exposed to fluctuating yields from its participation and is able to influence the amount of yields based on its authority to make decisions. The acquired assets and liabilities and contingent liabilities are measured at their fair values as at the acquisition date. The historical cost of the acquired interests is subsequently offset against the pro rata revalued equity of the subsidiary. Any resulting positive difference is reported as goodwill under intangible assets, while a negative difference is recognised immediately after review through profit or loss in the income statement.

All material assets and liabilities, income and expenses, and inter-company results between affiliated undertakings are eliminated in the course of consolidation. Joint ventures and associates are included in the consolidated financial statements using the equity method. Profit or loss components attributable to non-controlling interests are reported separately in the net income for the period.

The gain or loss and all elements of other consolidated net income are allocated to the shareholders of Eckert & Ziegler AG and the non-controlling interests. This is done even when it results in a negative balance for the non-controlling interests.

Inclusion in the consolidated financial statements ends when the company ceases to have control of the subsidiary. The results of subsidiaries acquired or disposed of in the course of the year are included in the consolidated income statement and in other consolidated net income according to the date of acquisition or disposal.

The consolidated financial statements are drawn up in euros, which is the Group's reporting currency. All amounts are listed in thousands of euros (€ thousand), unless noted otherwise. In this regard, commercial rounding when adding amounts may result in insignificant rounding differences. The percentages shown are calculated on the basis of the respective amounts in thousands of euros. All included financial statements of the subsidiaries were prepared as at the reporting date for the annual financial statements of Eckert & Ziegler AG. Comparative figures for the previous year were calculated in accordance with the same principles.

6 | SCOPE OF CONSOLIDATION

The subsidiaries included in the 2023 consolidated financial statements are:

	Voting rights
Eckert & Ziegler Isotope Products Holdings GmbH, Berlin	100%
Eckert & Ziegler Umweltdienste GmbH, Braunschweig *	100%
Eckert & Ziegler Environmental Services Ltd., Didcot, United Kingdom *	100%
Eckert & Ziegler Nuclitec GmbH, Braunschweig *	100%
Eckert & Ziegler Isotope Products Inc., Valencia, USA *	100%
Eckert & Ziegler Analytics Inc., Atlanta, USA *	100%
Eckert & Ziegler Brasil Participações Ltda., São Paulo, Brazil *	100%
Eckert & Ziegler Brasil Comercial Ltda., São Paulo, Brazil *	100%
Ambientis Radioproteção, São Paulo, Brazil*	100%
Tecnonuclear SA, Buenos Aires, Argentina *	100%
Eckert & Ziegler Isotope Products GmbH, Berlin *	100%
Eckert & Ziegler Isotope Products SARL, Les Ulis, France *	100%
Eckert & Ziegler Cesio s.r.o., Prague, Czech Republic *	88.90%
Eckert & Ziegler Chemotrade GmbH, Düsseldorf *	100%
Gamma-Service Recycling GmbH, Leipzig *	100%
Gamma-Service Medical GmbH, Leipzig *	100%
ISOTREND spol s.r.o., Prague, Czech Republic *	100%
GBT Finanzen GmbH, Dresden *	100%
Eckert & Ziegler Radiopharma GmbH, Berlin	100%
Eckert & Ziegler Eurotope GmbH, Berlin *	100%
Eckert & Ziegler Radiopharma Inc., Hopkinton, MA, USA *	100%
Eckert & Ziegler Radiopharma Projekte UG (limited liability), Berlin *	100%
Isotope Technologies Dresden GmbH, Dresden *	100%
Eckert & Ziegler BEBIG GmbH, Berlin	100%
Eckert & Ziegler BEBIG SARL, Paris, France *	100%
Eckert & Ziegler BEBIG Ltd., Didcot, Great Britain (liquidated) *	100%
Eckert & Ziegler Iberia S.L.U., Madrid, Spain *	100%
Eckert & Ziegler Portugal S.A., Lisbon, Portugal (formerly Medwings S.A.) *	100%
NRT Germany GmbH, Berlin *	100%
Pentixapharm AG, Würzburg	99.54%
Myelo Therapeutics GmbH, Berlin*	99.54%

* Indirect participation

7 | CHANGES TO THE SCOPE OF CONSOLIDATION

In the 2023 financial year, the following company interests were acquired or sold and changes were made to the scope of consolidation (acquisitions are presented in Note 41):

- On 14 November 2023, Eckert & Ziegler signed a 50:50 joint venture agreement with the Chinese pharmaceutical company DongCheng Pharma (DC Pharma). DC Pharma acquired a € 20 million stake in the EZAG subsidiary Qi Kang Medical Technology (Changzhou) Co., Ltd. by way of a capital increase and holds 50% of its shares as at 31 December 2023. Qi Kang Medical Technology is only accounted for using the at-equity method as at 31 December 2023. As the capital increase only took place at the end of the year, the profit and loss account of the subsidiary was still fully consolidated. Income of € 0.6 million was recognised from the deconsolidation as at 31 December 2023.
- Eckert & Ziegler BEBIG Ltd, Didcot, UK, was liquidated in December 2023. The removal from the commercial register will not take place until 2024. The company has not been active for a long time and was already dissolved last year.
- As part of the preparations for the spin-off of the clinical assets (Pentixapharm AG and Myelo Therapeutics GmbH), 100,000 shares (0.46%) in Pentixapharm AG were sold by Eckert & Ziegler AG on 30 November 2023. The profit and loss transfer agreement dated 28 June 2022 concluded between Eckert & Ziegler Strahlen- und Medizintechnik AG as the controlling company and Pentixapharm AG (following the conversion of Pentixapharm GmbH) was terminated by law with effect from 31 December 2023 due to the participation of an outside shareholder in accordance with Section 307 AktG. As a result, the Group now only owns 99.54% of Pentixapharm AG and its subsidiary Myelo Therapeutics GmbH.

8 | INTERESTS IN JOINT VENTURES

A joint venture is based on a contractual agreement in which the Group and other contracting parties undertake a business venture under common leadership; this is the case if the strategic financial and business policies pursued in the joint venture require the consent of all parties. Interests in joint ventures are accounted for using the equity method. The consolidated income statement includes the Group's share of the income and expenses, as well as changes in the equity of participations measured at equity. If the Group's share in the loss of the joint venture exceeds the interest measured at equity, this interest is written down to zero. Further losses are not recognised unless the Group has a contractual obligation or has made payments to the benefit of the joint venture. Unrealised gains or losses from transactions by Group companies with the joint venture are eliminated against the carrying amount of the participation in the joint venture (maximum loss up to the carrying amount of the participation).

9 | CURRENCY TRANSLATION

With the exception of one company whose functional currency is the currency of a country with pronounced hyperinflation, the financial statements of the subsidiaries included in the Group, which are prepared in a foreign currency, are translated into euros in accordance with IAS 21. As the subsidiaries conduct their business affairs autonomously from a financial, economic and organisational standpoint, the functional currency of the consolidated companies corresponds to their respective national currency. Assets and liabilities are translated using the average exchange rate on the reporting date. Items in the income statement and the statement of cash flows are translated at the weighted average annual exchange rate. Equity components are translated at the historical rate when they were initially recognised. Resulting currency translation differences are recognised in a separate item in equity and under non-controlling interests without affecting profit or loss until the subsidiary is disposed of. Upon disposal of the subsidiary, all accumulated currency translation differences are reclassified to the consolidated income statement.

When interests in a subsidiary are disposed of with no loss of control, the proportion of the currency translation differences applicable to the interests that are sold is allocated to the non-controlling interests effective on the date of disposal.

The following exchange rates were used for currency translation:

Country	Currency	31/12/2023	31/12/2022	Average exchange rate 2023	Average exchange rate 2022
USA	USD	1.11	1.07	1.09	1.05
CZ	CZK	24.72	24.12	24.48	24.57
UK	GBP	0.87	0.89	0.86	0.85
RU	RUB	98.50	78.93	92.46	75.66
BR	BRL	5.36	5.64	5.34	5.44
ARG	ARS	893.90	189.69		
CH	CHF	0.93	0.98	0.94	1.00
CHN	CNY	7.85	7.36	7.79	7.08

10 | DISCONTINUED OPERATIONS

A part of the EZAG Group whose business activities and cash flows can be clearly distinguished operationally and for accounting purposes from other business activities is recognised as a discontinued operation if it has either been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or represents a subsidiary acquired exclusively with a view to resale.

Discontinued operations are not included in the profit/loss from continuing operations and are presented in a separate item in the consolidated income statement as profit/loss from discontinued operations after tax. If an operation is classified as a discontinued operation, the consolidated income statement and the consolidated cash flow statement for the comparative year are adjusted as if the operation had been classified as such from the beginning of the comparative year.

In October 2023, the Supervisory Board of Eckert & Ziegler AG gave its approval to the Executive Board to prepare a spin-off of up to 100 per cent of the shares in Pentixapharm AG. Pentixapharm AG and its subsidiary Myelo Therapeutics GmbH form the division that comprises the Group's clinical assets. The focus here is on the development of innovative diagnostic and therapeutic radiopharmaceuticals. This division will be discontinued and the spin-off is being prepared. In accordance with the provisions of IFRS 5, the non-current and current assets and liabilities of Pentixapharm AG and Myelo Therapeutics GmbH are recognised as discontinued operations. In view of the enormous growth forecast for active pharmaceutical ingredients, Eckert & Ziegler intends to pool its financial resources to expand its global manufacturing capacities and concentrate on its core competences in order to further expand its position as a leading supplier of radioisotopes for the production of radiopharmaceuticals.

Due to the upcoming spin-off of the division, the assets and liabilities will be classified as held for sale and reported separately in the balance sheet as at 31 December 2023. In accordance with IFRS 5, the division is presented as discontinued operations as at 31 December 2023. The expenses and income of this division are therefore recognised in "Earnings after taxes from discontinued operations". No impairment losses were recognised when classifying this division as held for sale. The assets and liabilities attributable to the division are reclassified to the "Non-current assets held for sale" and "Liabilities directly associated with assets held for sale" balance sheet items.

The previous year's figures in the income statement have been adjusted accordingly. However, the balance sheet as at 31 December 2022 was not adjusted in accordance with the provisions of IFRS 5. The cash flow statement includes both continuing and discontinued operations.

The financial information on the discontinued operation is presented below.

The result and cash flow of the discontinued operation, which is included in the consolidated result, are as follows:

€ thousand	01/01/2023- 31/12/2023	01/01/2022- 31/12/2022-
Revenue	24	31
Other income	1,737	-356
Expenses	-7,085	-1,937
Earnings before taxes	-5,324	-2,262
Attributable tax expense	1,611	648
Result from discontinued operations	-3,713	-1,614

Of the result from discontinued operations, € -3,708 thousand (previous year: € -1,614 thousand) is attributable to the shareholders of Eckert & Ziegler AG.

€ thousand	01/01/2023– 31/12/2023	01/01/2022– 31/12/2022
Cash flow from operating activities	2,197	-3,654
Cash flow from investing activities	-4,940	-4,046
Cash flow from financing activities	11,358	5,456
Change in cash and cash equivalents	8,615	-2,244

Cash and cash equivalents totalled €9,701 thousand as at 31 December 2023. (previous year: €1,086 thousand).

The most important classes of assets and liabilities that comprise the division classified as held for sale are as follows:

€ thousand	31/12/2023
Intangible assets (thereof goodwill: €775 thousand)	52,565
Property, plant and equipment	323
Deferred tax assets	1,793
Inventories	5
Receivables and other assets	945
Cash and cash equivalents	9,701
Assets held for sale	65,332

€ thousand	31/12/2023
Deferred tax liabilities	8,877
Trade payables	2,542
Other liabilities	10,403
Liabilities held for sale	21,822

Other liabilities include € 7,625 thousand in variable purchase price components from the acquisition of Myelo Therapeutics GmbH, which are recognised at fair value.

11 | COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE PREVIOUS YEAR

Due to changes in reporting and the application of IFRS5 in the course of the Group's decision to dispose of the clinical assets, comparability of the consolidated financial statements with the previous year is only possible to a limited extent, as the previous year's balance sheet items are not adjusted in accordance with IFRS regulations.

NOTES CONCERNING THE CONSOLIDATED INCOME STATEMENT

All figures for the 2023 and 2022 financial years in the notes to the consolidated income statement relate to the company's continuing operations, unless expressly stated otherwise. The previous year's figures have been adjusted due to the recognition of Pentixapharm AG as a discontinued operation in 2023.

12 | REVENUE

The Group generates its revenue from contracts with customers, primarily from the sale of goods and, to a lesser extent, from the provision of services and from construction contracts. Revenue from the sale of goods and the provision of services is recognised at a point in time, while revenue from construction contracts is recognised over time.

In the 2023 financial year, revenue increased from €222,229 thousand to €246,092 thousand and consisted of the following:

€ thousand	2023	2022
Revenue from the sale of goods	200,856	182,705
Revenue from the provision of services:	31,245	32,970
Revenue from construction contracts	13,991	6,554
Total	246,092	222,229

The Group accounts for its revenue in compliance with IFRS 15 “Revenue from Contracts with Customers”.

In the Medical segment, a comparatively small proportion of revenue in relation to the Group's total revenue is earned on the basis of multi-component contracts. In accordance with IFRS 15, these contracts are subjected to a detailed analysis. The projects in the Medical segment are mainly structured in such a way that all performance obligations of the company are priced separately in the contract at the regular individual selling price. The respective performance is also invoiced separately only after the company has met its obligations under the contract (i.e. delivered the product or provided the agreed service), and the revenue is recognised upon transfer of economic ownership.

For the projects in the plant engineering area, which are allocated to the Medical segment, contracts with customers generally address the provision of the service over a certain time frame in accordance with the progress of performance in relation to the complete fulfilment of the performance obligation.

In the 2023 and 2022 financial years, the Group generated revenue of €13,991 thousand (previous year: €6,554 thousand) from such contracts with customers.

€ thousand	2023	2022
Revenue	13,991	6,554
Contract costs	-9,958	-5,302
Profit	4,033	1,252

For the breakdown of revenue by geographic segment and business area, please see the segment reporting.

13 | COST OF SALES

In addition to the cost of materials, personnel costs and depreciation and amortisation directly attributable to revenue, cost of sales also includes pro rata material and personnel overheads and income from the release of deferred items.

In the year under review, there was an increase in write-downs on inventories totalling €824 thousand (previous year: €267 thousand).

The cost of sales breaks down as follows:

€ thousand	2023	2022
Material	54,761	53,743
Depreciation/amortisation	8,130	5,427
Personnel	35,876	32,791
Other	30,982	23,516
Total	129,749	115,477

14 | SELLING EXPENSES

Selling expenses are broken down as follows:

€ thousand	2023	2022
Personnel costs and related personnel expenses	12,873	12,346
Delivery costs	7,211	6,819
Advertising	694	619
Depreciation/amortisation	865	1,031
Other	2,879	2,097
Total	24,522	22,913

15 | GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses consisted of:

€ thousand	2023	2022
Personnel costs and related personnel expenses	20,422	17,905
Depreciation/amortisation	3,876	3,735
Insurance, contributions, fees, purchased services	2,866	3,013
Consultancy costs	3,599	2,374
Communication costs	454	445
Rent and ancillary costs	1,000	1,186
IR costs	287	344
Other	6,765	6,415
Total	39,269	35,417

16 | BENEFITS AND NUMBER OF EMPLOYEES

The items in the income statement include personnel expenses and other personnel-related costs totalling € 78,499 thousand (previous year: € 68,735 thousand) – this includes personnel expenses of Pentixapharm AG amounting to € 1,743 thousand (previous year: € 1,270 thousand) and Myelo Therapeutics GmbH in the amount of € 857 thousand (previous year: € 0 thousand).

The personnel expenses for the financial years 2023 and 2022 include, among other things

€ thousand	2023	2022
Wages and salaries	62,248	54,863
Social insurance contributions and expenses for pensions and other employee benefits	8,425	7,233
– thereof for pensions	1,104	1,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – NOTES CONCERNING THE CONSOLIDATED INCOME STATEMENT

During 2023, the Group companies employed 1,035 (previous year: 946) staff who worked in the following departments:

€ thousand	2023	2022
Manufacturing	514	468
Research and development	79	80
Administration	203	192
Sales and distribution	149	137
Quality management	90	69
Total	1,035	946

The employees of the German and other European subsidiaries are members of public pension plans, which are managed by public authorities. The companies are required to pay a certain percentage of their personnel expenses into the pension plans in order to fund these benefits. The Group's only obligation with regard to these pension plans is to pay these fixed contributions.

The US subsidiaries maintain defined contribution pension plans for all qualifying employees of those companies. The assets of these plans are held separately from those of the Group in funds under the control of trustees.

Expenses totalling €4,544 thousand (previous year: €3,616 thousand) that are included in the income statement represent Group contributions payable to the specified pension plans. As at 31 December 2023 and 2022, all contributions due had been paid into the pension plans.

Information on the total remuneration of current and former members of the Executive Board as well as current members of the Supervisory Board is provided in Note 45.

17 | AMORTISATION/DEPRECIATION AND IMPAIRMENT LOSSES

Amortisation of, and impairment losses recognised on, intangible assets are included in the following items in the income statement:

€ thousand	2023		2022	
	Depreciation/ amortisation	Impairment losses	Depreciation/ amortisation	Impairment losses
Cost of sales	58	0	109	0
Selling expenses	444	0	611	0
General administrative expenses	353	0	361	0
Other operating expenses	96	0	39	474
Total	951	0	1,120	474

Depreciation of, and impairment losses recognised on, property, plant and equipment are included in the following items in the income statement:

€ thousand	2023		2022	
	Depreciation/ amortisation	Impairment losses	Depreciation/ amortisation	Impairment losses
Cost of sales	7,301	0	4,546	0
Selling expenses	298	0	300	0
General administrative expenses	1,365	0	1,288	0
Other operating expenses	400	0	159	0
Total	9,364	0	6,293	0

Depreciation of, and impairment losses recognised on, right-of-use assets (IFRS 16) are included in the following items of the income statement:

€ thousand	2023		2022	
	Depreciation/ amortisation	Impairment losses	Depreciation/ amortisation	Impairment losses
Cost of sales	771	0	771	0
Selling expenses	123	0	119	0
General administrative expenses	2,158	0	2,081	0
Other operating expenses	7	0	7	0
Total	3,059	0	2,978	0

18 | OTHER OPERATING INCOME

In the 2023 financial year, other operating income fell by € 2,467 thousand year-on-year to € 2,958 thousand (previous year: € 5,425 thousand).

The decrease is mainly due to the lack of income from dividends and income from securities in 2023 (previous year: € 408 thousand) as well as lower income from revaluations in connection with changes in the scope of consolidation of € 562 thousand (previous year: € 1,647 thousand).

Other operating income in 2023 included income from the revaluation of Qi Kang Medical Technology Co., Ltd. when transitioning from full consolidation to at-equity consolidation in the amount of € 562 thousand, income from the sale of 100,000 shares (0.46%) in Pentixapharm AG to third parties (€ 229 thousand) and income from the reversal of special items for grants received in the amount of € 498 thousand (previous year: € 308 thousand).

It also includes income from the sale of fixed assets totalling € 43 thousand (previous year: € 45 thousand).

19 | OTHER OPERATING EXPENSES

The other operating expenses fell by € 296 thousand compared to the previous year to € 8,374 thousand (previous year: € 6,310 thousand). In addition to research and development costs totalling € 4,331 thousand (previous year: € 3,171 thousand) this item mainly includes costs for radiation protection and quality assurance amounting to € 2,907 thousand (previous year: € 2,177 thousand), losses from the impairment of assets recognised at fair value of € 240 thousand (see Note 43) (previous year: € 474 thousand from the impairment of goodwill of the Medical Devices CGU) and losses from the disposal of fixed assets in the amount of € 21 thousand (previous year: € 9 thousand).

Research and development costs included in other operating expenses consisted of:

- directly attributable personnel and material costs associated with the research and development areas that cannot be capitalised,
- amortisation/depreciation in the research and development areas for acquired property, plant and equipment as well as intangible assets and the corresponding release of deferred items relating to assets used for research purposes,
- impairment losses recognised on internally generated intangible assets capitalised in previous years as well as the corresponding release of deferred items,
- other directly attributable expenses of the research and development areas and
- a pro rata share of overhead for the research and development areas.

The research and development costs of € 4,331 thousand (previous year: € 3,171 thousand) include amortisation and impairment losses of € 362 thousand (previous year: € 115 thousand), personnel expenses of € 3,753 thousand (previous year: € 2,711 thousand) and other expenses in the amount of € 216 thousand. (previous year: € 345 thousand).

20 | NET INCOME FROM PARTICIPATIONS MEASURED AT EQUITY

The Group's participations measured at equity consisted of participations in the following associates and a joint venture:

- ZAO NanoBrachyTech, Dubna, Russia
- ZAO Ritverc, St. Petersburg, Russia
- Nuclear Control & Consulting GmbH Leipzig
- BEBIG Medical GmbH, Berlin
- Atom Mines LLC, Austin, USA
- Qi Kang Medical Technology Co, Ltd, Changzhou, China

The Eckert & Ziegler Group has a significant influence on Atom Mines LLC, Austin USA (18.5%) due to an exclusive supply contract and on ZAO NanoBrachyTech, Dubna, Russia (15%), because the Group supplies its subsidiary OOO BEBIG; this explains why both companies are consolidated at equity (IFRS 12.9) despite a shareholding of less than 20%.

In the 2023 financial year, income from investments accounted for using the at-equity method totalled €311 thousand (previous year: €375 thousand).

The investment in ZAO Ritverc generated income for pro rata profit of €144 thousand (previous year: €633 thousand) and that in ZAO NanoBrachyTech a loss of €280 thousand (previous year: income in the amount of €288 thousand). Because of the restrictions introduced by Russia in July 2022 concerning the foreign repatriation of income from participations in Russian companies, as well as the risk of capital loss in the case of associates in Russia, the at-equity interests in associates domiciled in Russia were written down by 15%.

The investment in Atom Mines LLC also resulted in expenses for pro rata losses totalling €224 thousand and income of €39 thousand for Nuclear Control & Consulting GmbH.

Qi Kang Medical Technology Co., Ltd, Changzhou, China, was fully consolidated in the previous year and accounted for using the at-equity method (50%) for the first time as at 31 December 2023 due to a capital increase by the Chinese partner; the 2023 income statement of Qi Kang Medical Technology was therefore fully included in the consolidated income statement.

21 | FOREIGN EXCHANGE GAINS/LOSSES

Currency gains in the amount of €1,795 thousand (previous year: €2,856 thousand) and exchange rate losses of €2,240 thousand (previous year: €1,553 thousand) result from the measurement of foreign currency receivables and liabilities.

The decline in currency gains and the increase in currency losses were mainly due to the significantly weaker US dollar (USD) and Brazilian real (BRL) compared to the previous year.

22 | NET INTEREST INCOME

Interest income from financial assets at amortised cost amounted to €846 thousand in the 2023 financial year (previous year: €234 thousand), while interest expenses totalled €3,993 thousand (previous year: €1,773 thousand) of which €840 thousand (previous year: €618 thousand) was incurred in connection with lease accounting in accordance with IFRS 16.

Interest expenses also included €1,873 thousand (previous year: €266 thousand) in non-cash interest expenses from accrued interest on provisions.

23 | INCOME TAXES

The parent company's tax rate for corporation tax, solidarity surcharge and trade tax used as the Group tax rate when calculating the tax expense was 30.175% for the 2023 and 2022 financial years. The Group tax rate consisted of the following:

	2023	2022
Trade tax base amount	3.5%	3.5%
Trade tax multiplier	410%	410%
Corporation tax	15%	15%
Solidarity surcharge on corporation tax	5.5%	5.5%

The income tax expense [expense (+)/income (-)] was as follows for the financial years ending 31 December 2023 and 2022:

€ thousand	2023	2022
Earnings before taxes		
Germany	27,704	33,886
Foreign subsidiaries	14,602	9,117
	42,306	43,003

€ thousand	2023	2022
Current taxes:		
Germany	10,061	7,583
Foreign subsidiaries	4,884	3,959
	14,945	11,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – NOTES CONCERNING THE CONSOLIDATED INCOME STATEMENT

Of the current taxes in 2023, € 88 thousand (expense) is attributable to previous years (previous year: € –89 thousand).

€ thousand	2023	2022
Deferred taxes:		
Germany	-1,421	3,158
Foreign subsidiaries	-1,700	-1,444
	-3,121	1,714
Total taxes:	11,824	13,256

The reconciliation of the Group's income tax expense, determined based on the marginal tax rates applicable in Germany, to the Group's reported tax expense is as follows:

€ thousand	2023	2022
Basis for determining the tax expense (earnings before taxes)	42,306	43,003
Expected tax expense based on Group tax rate	12,766	12,976
Tax rate differences at subsidiaries	-1,615	-1,161
Taxes for previous years	88	-89
Taxes on non-deductible expenses	1,851	1,036
Taxes on tax-exempt income	-183	-650
Deferred taxes on the capitalisation of previously unrecognised loss carryforwards	-1,472	-537
Adjustments to deferred tax assets and liabilities arising from temporary differences	0	-85
Impairment losses recognised on deferred tax assets for loss carryforwards	0	0
Use of previously non-capitalised deferred taxes on loss carryforwards	-27	0
Non-capitalised deferred taxes on financial year losses	281	1,857
Other	135	-91
Effective tax expense	11,824	13,256

The following tax rates were used by the parent company as at 31 December 2023 to calculate deferred taxes, which remained unchanged compared to 31 December 2022: Corporation tax 15%, solidarity surcharge 5.5% on corporation tax and trade tax 14.35%. For foreign companies, the prevailing local tax rates were applied when calculating deferred taxes.

Deferred taxes are based on the differences between the amounts reported in the consolidated financial statements for assets and liabilities and the corresponding amounts included in the tax accounts of the respective individual Group companies. In addition, they apply to any tax loss carryforwards. Deferred tax assets and liabilities were offset in the balance sheet to the extent permitted under IAS 12.

Deferred tax expenses of € 3,082 thousand (previous year: € 1,146 thousand) and deferred tax income of € 1,387 thousand (previous year: € 2,755 thousand) are attributable to the change in tax loss carryforwards in the year under review, while deferred tax income of € 4,816 thousand (previous year: deferred tax expenses of € 3,323 thousand) is attributable to temporary differences.

In total, € 2,218 thousand (previous year: € 3,912 thousand) deferred taxes on tax loss carryforwards were capitalised. The loss carryforwards mainly relate to loss carryforwards of the German companies of the Eckert & Ziegler Group totalling € 2,016 thousand. The losses in Germany, the US and Brazil can be carried forward indefinitely. The loss carryforwards in Argentina (€ 222 thousand) and the Czech Republic (€ 9 thousand) are limited to 5 years.

Of a total of € 2,218 thousand in deferred tax assets on loss carryforwards, € 2,007 thousand (previous year: € 2,862 thousand) are attributable to companies that still suffered a tax loss in 2023 but are expected to generate a profit in the future. In contrast to the previous year, loss carryforwards of € 27 thousand were used in the 2023 financial year, for which no deferred tax assets for loss carryforwards were recognised as at 31 December of the previous year. As at 31 December 2023, the Group had loss carryforwards of € 11,796 thousand (previous year: € 13,175 thousand) for continuing operations for which no deferred tax assets were recognised, as it is unlikely that they can be used due to the uncertain earnings forecast or the planned discontinuation of operating activities in the future.

Currency translation resulted in changes in deferred taxes on temporary differences totalling € 113 thousand (previous year: € 35 thousand).

In the year under review, deferred tax income of € 176 thousand (previous year: € –869 thousand) was recognised directly in equity in connection with actuarial gains and losses from the measurement of pension provisions.

Deferred tax assets totalling € 3,429 thousand were recognised in the consolidated balance sheet due to the presentation of business divisions held for sale (Pentixapharm AG and Myelo GmbH).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – NOTES CONCERNING THE CONSOLIDATED INCOME STATEMENT

No deferred tax liabilities were recognised for temporary differences from retained earnings of subsidiaries amounting to €98,112 thousand (previous year: €88,330 thousand) as Eckert & Ziegler AG is in a position to control the timing of the reversal and the temporary differences will not reverse in the foreseeable future.

The deferred tax assets and liabilities attributable to individual items in the balance sheet are presented in the following table:

€ thousand	Deferred tax assets		Deferred tax liabilities	
	2023	2022	2023	2022
Tax loss carryforwards	2,218	3,912	0	0
Non-current assets	918	1,037	9,734	16,154
Securities	0	0	0	0
Receivables	36	257	0	415
Liabilities	6,625	5,385	0	0
Inventories	599	140	0	0
Provisions	9,784	9,327	0	0
Other	0	98	126	106
Subtotal	20,180	20,156	9,860	16,675
Balance	-8,530	-11,593	-8,530	-11,593
Balance based on the consolidated balance sheet	11,650	8,563	1,330	5,082

24| NON-CONTROLLING INTERESTS

The consolidated net profit after taxes includes profit shares attributable to non-controlling interests in the amount of €-468 thousand (previous year: €-469 thousand).

The following table includes details about the significant Group subsidiaries that are not wholly owned but in which the Group holds non-controlling interests.

Eckert & Ziegler Cesio s.r.o.		
€ thousand	31/12/2023	31/12/2022
Current assets	16,417	15,571
Non-current assets	7,538	7,047
Current liabilities	-7,463	-1,858
Non-current liabilities	-833	-6,067
Equity attributable to shareholders of Eckert & Ziegler AG	13,988	13,080
Equity attributable to non-controlling interests	1,671	1,613

€ thousand	2023	2022
Revenue	11,569	10,214
Expenses	-7,306	-6,157
Net profit for the year	4,263	4,057
Net profit for the year attributable to shareholders of Eckert & Ziegler AG	3,790	3,607
Net profit for the year attributable to non-controlling interests	473	450
Total net profit for the year	4,263	4,057
Other net income attributable to shareholders of Eckert & Ziegler AG	-278	71
Other net income attributable to non-controlling interests	-33	9
Total other net income	-311	80
Comprehensive income attributable to shareholders of Eckert & Ziegler AG	3,512	3,678
Comprehensive income attributable to non-controlling interests	440	459
Comprehensive income	3,952	4,137
Cash flow prior to dividend payment	5,216	1,159

€ thousand	31/12/2023	31/12/2022
Dividends paid on non-controlling interests	332	359

25 | EARNINGS PER SHARE

Earnings per share was calculated as follows:

	As at the end of the year	
	2023	2022
Numerator for calculation of profit and diluted and undiluted earnings per share – earnings attributable to shareholders of Eckert & Ziegler AG (in € thousand)	26,300	29,278
Denominator for calculation of undiluted earnings per share – weighted average of the number of shares (in thousands)	20,811	20,763
Denominator for calculation of diluted earnings per share – weighted average of the number of shares (in thousands)	20,824	20,798
Undiluted earnings per share (in €)	1.26	1.41
Diluted earnings per share (in €)	1.26	1.41

NOTES CONCERNING THE CONSOLIDATED BALANCE SHEET

26 | INTANGIBLE ASSETS

The changes in intangible assets from 1 January 2023 to 31 December 2023 are shown in the statement of changes in assets attached to the notes to the consolidated financial statements.

Intangible assets include goodwill, customer relationships, non-compete obligations, patents and technologies, licences and software, capitalised development costs and other intangible assets. As at 31 December 2023, no intangible assets were deposited or pledged as collateral.

a) Intangible assets not subject to scheduled amortisation

The intangible assets that are not subject to scheduled amortisation relate exclusively to the goodwill.

There were no additions of goodwill in the 2023 financial year. On whole, the items changed as follows:

€ thousand	2023	2022
As at 1 January	43,141	33,610
Additions	0	9,089
Revaluation	-5,155	0
Spin-off	-775	0
Impairment loss	0	-474
Currency translation differences	-2,996	-569
Compensation for inflation	1,508	1,485
As at 31 December	35,723	43,141

The reduction in goodwill totalling € 5,155 thousand is due to the revaluation of Myelo Therapeutics GmbH in accordance with the final *purchase price allocation* (PPA). As part of the spin-off of the clinical assets, the final goodwill of € 775 thousand was reclassified to "assets held for sale". The currency effects are mainly due to the development of the Argentinian peso, which lost 79% of its value against the euro in 2023. As a significant portion of the goodwill is attributable to companies in the Isotope Products segment that prepare their accounts in US dollars, the slight change in the US dollar slightly increased the overall effect.

Specifically, goodwill is allocated to the segments and to the cash generating units as follows:

€ thousand	Goodwill	Goodwill
	2023	2022
Isotope Products segment	24,536	25,970
Medical segment	11,187	11,240
thereof Medical Devices business unit	8,395	8,395
thereof other segment business units	2,792	2,845
Other	0	5,931
As at 31 December	35,723	43,141

Capitalised goodwill was tested for impairment in accordance with IAS 36 in the 2023 financial year. Goodwill was allocated to the relevant *cash generating units* (CGU). These represent the lowest level at which goodwill and assets are monitored for corporate management purposes. The Isotope Products segment constitutes a CGU. The Medical segment includes several business units (BUs), each of which constitutes a CGU.

The value in use of the cash generating units is derived from the discounted future cash flows that were determined based on the current five-year budgets. For the subsequent period, the cash flows were calculated using a growth rate of 1% (previous year: 1%). The pre-tax discount rate was 12.0% for the Isotope Products segment and 12.5% for the CGUs in the Medical segment. The discount rate after taxes for the Isotope Products segment was 9.1% (previous year: 9.0%) and 9.3% for the CGUs of the Medical segment (previous year: 8.8%).

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A need to recognise impairment losses was not identified as at 31 December 2023. Impairment testing as at 31 December 2022 identified one need to recognise an impairment loss based on the respective recoverable amounts, namely €474 thousand for the Medical Devices BU.

The outcome of impairment testing for the goodwill of the Isotope Products segment and the other Medical segment BUs (Pharma, Laboratory Equipment, Plant Engineering) was that there are no conceivable potential changes to key assumptions that could result in the carrying amount of the goodwill exceeding the recoverable amount.

Because the *headroom*, as the difference between the carrying amount of the CGU including goodwill and the recoverable amount, was low in the goodwill impairment test for the Medical Devices BU and because an impairment loss was recognised for this BU in the previous year, the results of the scenario analysis are presented here:

- Scenario 1: If the discount rate after taxes is 100 points higher (10.3% instead of 9.3%), there is still no need to recognise an impairment loss.
- Scenario 2: If the variable cost of sales were to increase by 10% and at the same time the BU were to keep its prices constant and not take any measures to reduce fixed costs, an impairment loss of €3,867 thousand would be necessary.
- Scenario 3: If revenue were 10% lower than assumed but the relative margin remained the same and the BU did not take any measures to reduce fixed costs at the same time, an impairment loss of €8,872 thousand would be necessary.

b) Amortised intangible assets for the financial years ended 31 December 2023 and 2022, respectively, consisted of the following:

(6) Acquired intangible assets

	2023 € thousand	Remaining amortization period	2022 € thousand
Customer relationships	4,172	2–5 years	6,439
Licenses/software/permits	8,285	1–5 years	6,357
Patents/technology	0		4
Development projects (in progress)	0		33,938
As at 31 December	12,457		46,738

The difference between the purchase price of the interests in Pentixapharm AG (formerly Pentixapharm GmbH) and the carrying amounts recorded at the time of acquisition was recognised in 2021 as “Acquired intangible assets” under “Development projects (in progress)”, since the acquired object was not a business within the meaning of IFRS 3. In connection with the final allocation of the purchase price for the acquisition of Myelo Therapeutics GmbH, €18,237 thousand was also recognised under the “Development projects (in progress)” item. At the end of 2023, these development projects totalling €39,825 thousand were reclassified to the “Assets held for sale” balance sheet item due to the planned spin-off of the clinical assets.

(7) Internally generated intangible assets

	2023 € thousand	Remaining amortisation period	2022 € thousand
Software/approvals	599	3–10 years	647
Patents/technology	0		0
Development projects (in progress)	0		6,480
As at 31 December	599		7,127

Intangible assets are amortised using the straight-line method. They are allocated in the income statement to cost of sales, selling expenses, general administrative costs and other operating expenses according to the functional area of the respective intangible assets (also see the remarks in Note 17).

27 | PROPERTY, PLANT AND EQUIPMENT

The development of property, plant and equipment from 1 January 2023 to 31 December 2023 is shown in the statement of changes in fixed assets attached to the notes to the consolidated financial statements.

Additions in the 2023 financial year mainly related to investments in land and buildings as well as production facilities for the purpose of building up new production capacities in America and Europe, the expansion and modernisation of existing production facilities, as well as ongoing replacement investments. In the 2023 financial year, self-constructed production facilities totalling €10,747 thousand (previous year: €7,663 thousand) were capitalised.

As at 31 December 2023, no property, plant and equipment or real estate had been deposited or pledged as collateral.

28 | LEASING

The Group leases various office, warehouse and production buildings and related outdoor facilities and vehicles. The Group concludes leases that have fixed terms with renewal options and that have indefinite terms with specified termination notice periods or revolving renewal options after the expiry of the minimum term. In all of these cases, the Eckert & Ziegler Group specifies the lease term where it is reasonably certain that it will exercise the renewal option or not exercise the termination option.

The specification of the lease term constitutes a critical estimate. The Executive Board considers all facts and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. In particular, it takes into account the fact that the production programmes and the work with radioactive material make it necessary to stay in one location for an extended period of time. Against this background, the exercise of the renewal option or the non-exercise of the termination option has tended to be classified as reasonably certain if the exercise or non-exercise of these options is dependent on the decisions of the Group and there are no other facts and circumstances to the contrary.

The balance sheet shows the following amounts relating to leases:

€ thousand	31/12/2023	31/12/2022
Right-of-use assets		
Land and buildings	28,176	25,277
Outdoor facilities	95	341
Vehicles	657	877
	28,928	26,495
Lease liabilities		
Short-term	2,596	2,690
Long-term	27,320	24,497
	29,916	27,187

The income statement shows the following amounts relating to leases:

€ thousand	31/12/2023	31/12/2022
Depreciation of right-of-use assets		
Buildings	2,624	2,553
Outdoor facilities	48	42
Vehicles	388	383
Total (see also Note 17)	3,060	2,978
Interest expenses (see also Note 22)	840	618
Expenses not include in the measurement of lease liabilities		
For short-term leases	234	200
For leases for low-value assets	165	1

In 2023, lease liabilities gave rise to payments of € 3,576 thousand (2022: € 3,434 thousand), of which € 2,736 thousand (2022: € 2,816 thousand) was for the principal portion and € 840 thousand (2022: € 618 thousand) was for the interest portion.

The following outflows are expected in subsequent years from recognised leases (undiscounted amounts):

€ thousand	31/12/2023
Due within one year	3,561
Due later than one year but less than five years	12,899
Due later than five years	20,145
Total (undiscounted)	36,605

29 | OTHER NON-CURRENT ASSETS

Other non-current assets are financial assets, which mainly comprise the asset value of various reinsurance policies totalling € 649 thousand (previous year: € 589 thousand) and security deposits paid in the amount of € 359 thousand (previous year: € 392 thousand).

To hedge the interest rate risk associated with a € 20.0 million loan over five years with a variable interest rate based on the 3-month Euribor, the Group concluded an interest rate cap with Deutsche Bank AG on 20 May 2022. As with the loan, this interest rate cap has a nominal value of € 20 million, a duration of five years, and a similar repayment structure. The strike takes place when the 3-month Euribor reaches 1.5%. However, since the terms of the interest rate cap are only partially consistent with those of the loan, the cap is not accounted for as a hedge. The fair value of the interest rate cap was recognised under “Other non-current assets” at € 343 thousand (previous year: € 712 thousand).

30 | INTERESTS IN ASSOCIATES AND JOINT VENTURES

The Group's participations measured at equity consisted of participations in the following associates:

- ZAO NanoBrachyTech, Dubna, Russia
- Nuclear Control & Consulting GmbH, Leipzig
- ZAO Ritverc, St. Petersburg, Russia
- Atom Mines LLC, Austin Texas, USA
- BEBIG Medical GmbH, Berlin
- Qi Kang Medical Technology Co. Ltd, Changzhou, China

The reported carrying amount totalling € 32,111 thousand (previous year: € 13,972 thousand is distributed as follows:

	2023	2022
ZAO NanoBrachyTech	549	829
Nuclear Control & Consulting GmbH	248	209
ZAO Ritverc	1,595	1,451
Atom Mines LLC	479	703
BEBIG Medical GmbH	10,780	10,780
Qi Kang Medical	18,460	0

Since 2009, Eckert & Ziegler BEBIG GmbH has held 15% of the interests in Russia-based ZAO NanoBrachyTech (NBT), which in turn wholly owns OOO BEBIG, Moscow/Russia. OOO BEBIG is supplied by Eckert & Ziegler BEBIG GmbH (see also the remarks in Note 43). Apart from the participation in OOO BEBIG, NBT is not engaged in any other significant business activities. Eckert & Ziegler BEBIG GmbH exercises significant influence over ZAO NanoBrachyTech both through its voting rights and through its supplying of OOO BEBIG, and it accounts for this participation as an associate. Because of the restrictions introduced by Russia in July 2022 concerning the foreign repatriation of income from participations in Russian companies, as well as the increased risk of capital loss in the case of associates in Russia, the at-equity interests in associates domiciled in Russia were written down by 15%. Dividends received in the 2023 financial year in the amount of € 177 thousand were recognised directly in equity.

Nuclear Control & Consulting GmbH has been a service provider and expert organisation for radiation protection tasks since 2008. The 49% stake has been part of the Group since the acquisition of the Gamma-Service Group in 2017.

Eckert & Ziegler BEBIG GmbH holds 20% of the shares in ZAO Ritverc, St. Petersburg, Russia. Similar to NBT, the investment is valued at a discount of 15%. Dividends received in the 2023 financial year in the amount of € 65 thousand were recognised directly in equity.

On 10 January 2022, Eckert & Ziegler Radiopharma GmbH acquired 18.5% of the interests in Atom Mines LLC, Texas, USA, Atom Mines LLC is a manufacturer of ytterbium. Eckert & Ziegler Radiopharma GmbH has concluded an exclusive, long-term contract with it for the supply of ytterbium-176. As a result, the Group has a significant influence on Atom Mines LLC; this explains why the company is consolidated using the at-equity method (IFRS 12.9) despite a shareholding of less than 20%. In 2023, the company posted a loss of € 874 thousand.

With effect from 31 March 2021, Eckert & Ziegler BEBIG GmbH disposed of its HDR business, which it had previously spun off to BEBIG Medical GmbH. In this respect, it sold 51% of the interests in BEBIG Medical GmbH to TCL Healthcare Equipment, Shanghai. The 49% stake in BEBIG Medical GmbH remaining in the Group has since been consolidated at-equity in the Eckert & Ziegler Group. At the end of 2023, the provisional profit of BEBIG Medical GmbH amounted to € 1,590 thousand (previous year: € 1,492 thousand).

The following tables provide an overview of the summarised financial information with respect to significant participations measured at-equity:

Joint venture Qi Kang Medical Technology Co., Ltd. (Changzhou, China)

€ thousand	31/12/2023	31/12/2022
Current assets	22,311	0
Non-current assets	15,507	0
Current liabilities	-898	0
Non-current liabilities	0	0

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The assets and liabilities listed above include the following amounts:

€ thousand	31/12/2023	31/12/2022
Cash and cash equivalents	7,530	0
Current financial liabilities (not including trade payables, other liabilities and provisions)	0	0
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	0	0

The joint venture did not generate any significant income or expenses in the 2023 financial year. The result in 2023 stood at €-524 thousand (previous year: €-1,406 thousand). Qi Kang Medical Technology Co., Ltd. was fully consolidated in 2022.

Reconciliation of the presented summarised financial information to the carrying amount of the investment in the joint venture Qi Kang Medical Technology in the consolidated financial statements:

€ thousand	2023	2022
Net assets of the joint venture	36,920	0
Group participation	50%	50%
Carrying amount of the Group participation in the joint venture	18,460	0

Associates (summarised)

€ thousand	31/12/2023	31/12/2022
Current assets	14,439	12,983
Non-current assets	17,580	19,658
Current liabilities	-5,991	-9,853
Non-current liabilities	-2,925	-1,176

The assets and liabilities listed above include the following amounts:

€ thousand	31/12/2023	31/12/2022
Cash and cash equivalents	9,220	7,936
Current financial liabilities (not including trade payables, other liabilities and provisions)	0	0
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	0	0

€ thousand	2023	2022
Revenue	26,024	20,014
Net profit for the year from continuing operations	3,825	2,864
After-tax income of discontinued operations	0	0
Net profit for the year	3,825	2,864
Other net income	0	0
Comprehensive income	3,825	2,864
Dividends received from associates	0	148

The net profit for the year listed above includes the following amounts:

€ thousand	2023	2022
Scheduled depreciation/amortisation	-469	-501
Interest income	0	0
Interest expenses	-189	-44
Income tax expense or income	-1,350	-1,072

Reconciliation of the presented summary financial information with the carrying amount of the participations in associates in the consolidated financial statements:

€ thousand	31/12/2023	31/12/2022
Net assets of the associates	23,102	21,612
Thereof attributable to Group participation	7,272	6,489
Measurement differences	6,379	7,224
Carrying amount of the Group participation in associates	13,651	13,713

31 | CASH AND CASH EQUIVALENTS

The cash and cash equivalents at of €67,998 thousand (previous year: €82,701 thousand) comprise cheques, cash in hand and bank balances with a maturity of no more than three months from the date of acquisition. Cash and cash equivalents shown in the consolidated statement of cash flows correspond to the balance sheet item cash and cash equivalents.

32 | TRADE RECEIVABLES

The current trade receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business and break down as follows as at 31 December 2023 and 2022:

€ thousand	2023	2022
Trade receivables	44,629	38,760
less impairment losses	-909	-1,589
As at 31 December	43,720	37,171

See also disclosures concerning financial instruments under Note 44.

33 | INVENTORIES

Inventories as at 31 December 2023 and 2022 are made up as follows:

€ thousand	2023	2022
Raw materials and consumables	25,807	25,118
Finished goods	13,821	10,113
Work in progress	1,938	4,853
	41,566	40,084
less impairment losses	-1,630	-806
As at 31 December	39,936	39,278

Raw materials and consumables mainly related to nuclides and components required for the production of finished products.

The impairment losses recognised on the basis of a comparison of the net realisable value and the carrying amount increased by €-824 thousand (2022: €-266 thousand).

As at 31 December 2023, no inventories were deposited or pledged as collateral.

34 | OTHER CURRENT ASSETS

Other current assets in the amount of €5,955 thousand (previous year: €6,342 thousand) as at 31 December 2023 relate to VAT receivables from tax authorities of €2,609 thousand (previous year: €3,032 thousand), current receivables from loans granted in the amount of €475 thousand (previous year: €475 thousand) and accrued expenses, prepayments made and other receivables in the amount of €2,871 thousand (previous year: €2,836 thousand). Current receivables from loans granted in the amount of €475 thousand (previous year: €475 thousand) are financial assets. The other miscellaneous current assets totalling €5,480 thousand (previous year: €5,867 thousand) are not financial assets.

35 | CONTRACT ASSETS AND CONTRACT LIABILITIES

Construction contracts as at the reporting date (€ thousand)	2023	2022
Revenue earned	22,502	12,337
Advance payments received	-24,892	-12,871
Manufacturing contracts with a credit balance (contract assets)	3,651	2,954
Manufacturing contracts with a debit balance (contract liabilities)	-6,041	-3,488

The remaining performance obligations under contracts with customers mainly stem from contracts with an expected original term of no more than one year.

In the year under review, longer-term plant engineering contracts that had not yet been fully performed by the end of the year generated revenue totalling € 1,740 thousand (previous year: € 4,633 thousand). Of the agreed transaction prices, € 26,096 thousand (previous year: € 10,705 thousand) is attributable to the remaining performance obligations, which are to be realised in the course of the 2024 financial year.

36 | EQUITY

Changes in the equity allocated to shareholders of Eckert & Ziegler AG and non-controlling interests are shown in the consolidated statement of changes in equity.

In accordance with the resolution of the Annual General Meeting on 7 June 2023, the unappropriated surplus under German commercial law of Eckert & Ziegler AG as at 31 December 2022 of € 18,906 thousand was used to distribute a dividend of € 0.50 per dividend-bearing share (€ 10,406 thousand) and the remaining amount was transferred to other retained earnings (€ 8,500 thousand).

As at 31 December 2023, there were 20,826,355 shares in circulation (98.37% of the share capital). As at 31 December 2022, there were 20,795,426 shares in circulation (98.22% of the share capital).

Under the German Stock Corporation Act, any potential dividend to be distributed to shareholders must be based on the unappropriated surplus as shown in the financial statements of Eckert & Ziegler AG prepared in accordance with German commercial law rules. The Executive Board proposes that the net retained profits of € 30,605 thousand reported in the adopted annual financial statements of Eckert & Ziegler AG for 2023 be appropriated as follows Distribution of a dividend of € 0.50 per dividend-bearing share (€ 10,413 thousand) and allocation of the remaining amount (€ 20,192 thousand) to retained earnings.

Subscribed capital

The share capital of Eckert & Ziegler AG amounted to € 21,171,932 as at 31 December 2023 (previous year: € 21,171,932) and is divided into 21,171,932 (previous year: 21,171,932) no-par value bearer shares and is fully paid up. Each share represents one vote and is entitled to a share in profit. There are no shares with multiple, preferential or maximum voting rights.

Conditional capital

The share capital of the company will not be conditionally increased.

Authorised capital

By resolution of the Annual General Meeting on 30 May 2018, the Executive Board was authorised, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 29 May 2023 by up to € 264,649 by issuing new no-par value bearer shares against cash and/or non-cash contributions (authorised capital). As a general rule, the new shares were to be offered to the shareholders for subscription; they could also be taken over by one or more banks or one or more equivalent institutions with the obligation to offer them to the shareholders for subscription.

The Executive Board could, with the approval of the Supervisory Board:

- exclude shareholders' subscription rights up to an amount not exceeding 10% of the share capital existing at the time of the exercise of this authorisation, in order to issue the new shares in exchange for cash contributions at an issue price that is not significantly lower than the market price of the company's shares of the same class that are already listed. Treasury shares of the company that are sold during the term of this authorisation with the exclusion of shareholders' subscription rights in direct or analogous application of Section 186(3) sentence 4 AktG counted towards this 10% limit. Furthermore, shares issued or to be issued during the term of this authorisation to service convertible bonds and/or bonds with warrants were to be included in the calculation of the 10% limit if the bonds were issued with the exclusion of subscription rights in accordance with Section 186(3) sentence 4 AktG;

- exclude shareholders' subscription rights for the purpose of acquiring contributions in kind, in particular, through the acquisition of companies or participations in companies or through the acquisition of other assets, including rights and claims, if the acquisition is in the company's best interest and was to be completed in exchange for the issue of shares in company;
- exclude shareholders' subscription rights to the extent necessary to grant holders of convertible bonds and/or bonds with warrants issued by the company or its subsidiaries a subscription right to new shares to the extent to which they were entitled after exercising their conversion or option rights;
- exclude shareholders' subscription rights to offer the new shares to employees of the company or its affiliated undertakings in return for cash contributions;
- exclude shareholders' subscription rights to compensate for fractional amounts.

In addition, the Executive Board was authorised, with the approval of the Supervisory Board, to specify further details pertaining to the capital increase and its implementation, particularly the substance of the rights attached to the shares and the other terms of the issue, including the issue price. The Supervisory Board is authorised to amend the Articles of Association after the capital increase is completed and, if the company does not issue shares up to the full amount of the Authorised Capital by 29 May 2023, after the end of the authorisation period.

Direct or indirect participation in capital with more than 10% of the voting rights

As at 31 December 2023, Dr Andreas Eckert indirectly held an investment of 6,589,960 shares through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal (2022: 6,541,960 shares) and a direct participation of 4 shares (2022: 48,004 shares), i.e. a total of 31.1% of the voting rights 2023.

Reserves

Presented in capital reserves is the amount received from the issuance of shares, including those at above par value (premium) and less the issuing costs (after taxes).

Also presented in capital reserves are the amounts recognised in connection with share-based remuneration payments (IFRS 2). In the year under review, € 287 thousand (previous year: € –651 thousand) was recognised in the capital reserve in connection with share-based payments.

Retained earnings consist of undistributed previous-period earnings of companies included in the consolidated financial statements. In addition, retained earnings include adjustments resulting from the first-time application of IFRS.

Other reserves include the foreign currency translation differences of € –5,990 thousand (previous year: € +5,403 thousand) resulting from the translation of the financial statements of foreign subsidiaries. The movements in 2023 and 2022 mainly related to the US and Brazilian subsidiaries and, for the first time in 2022, the Argentinian subsidiary. Other reserves also include the unrealised actuarial gains/losses (after tax) from defined benefit pension commitments to be recognised in other comprehensive income in the amount of € –383 thousand (previous year: € +1,888 thousand) and from equity instruments recognised at fair value through other comprehensive income of € 0 thousand (previous year: € –387 resulting from the translation of the financial statements of foreign subsidiaries).

Treasury shares

By resolution of the Annual General Meeting on 7 June 2023, the company is authorised until 6 June 2028 to acquire treasury shares up to a total of 10% of the share capital existing at the time of the resolution or – if this is lower – upon exercise of the authorisation. The shares acquired on the basis of this authorisation, together with other treasury shares held by the company or attributable to it pursuant to Sections 71d and 71e AktG, may not at any time account for more than 10% of the respective share capital. The authorisation may be exercised in whole or in part, on one or more occasions, in pursuit of one or more purposes by the company or the Group companies, or by third parties on their behalf. The authorisation may not be used for the purpose of trading in treasury shares. At the discretion of the Executive Board, the shares may be acquired via the stock exchange or by means of a public purchase offer addressed to all shareholders or by means of a public invitation to submit such an offer.

- If the shares are acquired via the stock exchange, the purchase price per share paid by the company (excluding ancillary acquisition costs) may not exceed the average closing price of the company's shares on the Exchange Electronic Trading (Xetra) electronic trading system (or a corresponding successor system) on the Frankfurt Stock Exchange by more than 10% or fall below it by more than 25% on the five trading days preceding the acquisition.
- If the purchase is made on the basis of a public purchase offer or a public invitation to submit such an offer, the purchase price offered and paid for a share (excluding ancillary purchase costs) may be up to 20% above or 20% below the highest closing price of the company's share in the electronic trading system Exchange Electronic Trading (Xetra) (or a corresponding successor system) on the Frankfurt Stock Exchange on the third trading day prior to the publication of the purchase offer. The acquisition offer or the public request to make such an offer may provide

for other conditions. The acquisition offer may be modified if the trading price diverges significantly from the offered acquisition price or from the boundary values of any offered price range following publication of the acquisition offer or the public request to make such an offer. In such case, the cut-off date is the day on which the decision by Executive Board to adjust the offer or the request to make such an offer is published. In the case of a public acquisition offer, the company will make an offer to all shareholders in accordance with their shareholding ratio. The volume of the public acquisition offer may be limited. If the total subscription to the offer exceeds this volume or, in the case of a request to make such an offer, multiple offers are not all accepted, the acquisition takes place – under partial exclusion of any right to tender – in proportion to the tendered shares (tender ratios) instead of in proportion to the holding of the tendering shareholders (shareholding ratio). Similarly, in order to avoid fractional amounts, provision may be made for commercial rounding and preferred consideration of small quantities of up to 100 shares for the purpose of acquiring tendered shares of the company per shareholder, under partial exclusion of any right of the shareholders to tender.

The Executive Board is authorised to use shares of the company acquired on the basis of this authorisation for all purposes permitted by law. In particular, the Executive Board may sell them through the stock exchange or an offer made to all shareholders. The uses include but are not limited to the following purposes:

- The shares may be redeemed without the redemption or its implementation requiring another resolution of the Annual General Meeting. They may also be redeemed in a simplified procedure without a capital reduction by adjusting the proportionate arithmetical amount of the remaining no-par-value shares in the company's share capital. The cancellation may be limited to part of the acquired shares. The authorisation to redeem shares may be exercised multiple times. If the redemption is carried out using the simplified procedure, the Executive Board is authorised to amend the number of no-par-value shares in the Articles of Association.
- The shares may also be sold in other ways than through the stock exchange or by an offer to all shareholders if the shares are sold for cash at a price that is not significantly below the arithmetic mean of the Xetra closing prices of the company's shares on the Frankfurt Stock Exchange on the last five trading days preceding the sale. In this case, the number of shares to be sold issued in accordance with Section 186(3) sentence 4 AktG (excluding subscription rights in exchange for cash contributions close to the market price) may not exceed 10% of the share capital, either at the time the resolution is passed or at the time the authorisation is exercised. Shares issued or sold in direct or analogous application of Section 186(3) sentence 4 AktG during the period of this authorisation up to this point in time are to be counted towards this limit. Shares issued during the term of this authorisation from authorised capital with the exclusion of subscription rights in accordance with Section 186(3) sentence 4 AktG must also be included.
- The shares may be issued against contributions in kind, including in connection with the acquisition of companies, parts of companies or company participations and mergers of companies as well as the acquisition of other assets for the purpose of expanding business activities.
- The shares may be issued to employees of the company and its affiliated companies and to members of the management of affiliated companies and used to service rights to acquire or obligations to acquire shares in the company granted to employees of the company and its affiliated companies and members of the management of affiliated undertakings, in particular in connection with share-based remuneration or participation programmes and share programmes. They may be offered, promised and transferred to such persons for consideration or free of charge, whereby the employment relationship must exist at the time of the offer or promise. The shares may also be granted to members of the Supervisory Board as part of the remuneration, to the extent legally permissible in individual cases.
- Treasury shares may be used to fulfil obligations of the company arising from conversion rights or conversion obligations arising from convertible bonds issued by the company.

At the end of 2023, Pentixapharm AG released EZAG from all obligations arising from the employee participation programmes and assumed its obligations. In light of this, 13,629 treasury shares were sold to Pentixapharm AG. A further 17,300 treasury shares were used for share-based remuneration payments to employees. In the previous year, 30,000 treasury shares were used as part of the purchase price for the acquisition of shares in Myelo Therapeutics GmbH, Berlin, and 9,150 treasury shares were used for share-based payments for employees.

As at 31 December 2023, the company held 345,577 treasury shares (previous year: 376,506 units). In mathematical terms, the number of treasury shares as at 31 December 2023 corresponds to 1.6% (previous year: 1.8%) of the company's share capital.

37 | LOAN LIABILITIES

The loan liabilities as at 31 December of financial years 2023 and 2022 consisted of the following:

€ thousand	2023	2022
Loan liabilities as at 31 December, total	26,388	22,400
- thereof current	6,352	0
- thereof non-current	20,036	22,400

Some of the loan liabilities are fixed-rate loans for which there is no interest rate risk, while others are variable-rate loans (3M Euribor) in conjunction with an interest rate cap.

The Group had committed cash credit lines (commitment in the amount of €16,964 thousand), which had not been utilised as at 31 December 2023.

As at 31 December 2023, the Group had committed guarantee and surety lines in the amount of €26,633 thousand, of which €17,570 thousand had been utilised. However, the guarantees and sureties are not expected to be utilised.

As at 31 December 2023 and 2022, the contractually agreed residual maturities of loan liabilities were as follows:

€ thousand	2023	2022
Residual maturity of up to 1 year	6,352	0
Residual maturity of more than 1 year and less than 5 years	20,036	22,400
Residual maturity of more than 5 years	0	0
Loan liabilities as at 31 December, total	26,388	22,400

38 | DEFERRED INCOME FROM GRANTS AND OTHER DEFERRED INCOME

The deferred income from grants item as at 31 December consisted of the following:

€ thousand	2023	2022
Deferred grants and other current deferred income	272	37
Deferred non-current grants	2,005	2,250
As at 31 December	2,277	2,287

39 | PROVISIONS FOR PENSIONS

The Eckert & Ziegler Group has defined benefit plans mainly at the German companies in the Isotope Products segment. In addition, there are defined benefit plans for individual employees of a German company in the Medical segment and a pension commitment for the widow of a former member of the Executive Board.

The Group has concluded reinsurance policies as part of these plans. Where these have been assigned to employees, the reinsurance policies are reported as plan assets netted against the pension provisions. Claims under reinsurance policies that have not been assigned are reported as non-current assets.

The type and amount of benefits payable under the pension plans are specified in company agreements (pension schemes). Essentially, these are either old-age pensions or one-off payments, which are paid to employees by the employer after they have left the company and reached the specified age limit.

The Group's pension plans are exposed to risks from changes in actuarial assumptions, such as actuarial interest rates, salary and pension trends, and longevity risk. A lower discount rate leads to higher pension obligations. Similarly, lower than expected performance of the plan assets could lead to a deterioration in the funded status.

There were no significant changes to these defined benefit plans in the 2023 and 2022.

In accordance with IAS 19 (revised), pension obligations were calculated using the projected unit credit (PUC) method and recognised at the present value of the pension entitlements earned on the measurement date, including expected future pension and salary increases. The actuarial measurement of the plan assets and the present value of the defined benefit obligation was performed as at 31 December 2023 by Longial AG and Allianz Lebensversicherung AG, respectively (as in the previous year).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – NOTES CONCERNING THE CONSOLIDATED BALANCE SHEET

The most important assumptions underlying the actuarial measurement were:

%	31/12/2023	31/12/2022
Discount rate(s)	3.25	3.55 to 3.70
Expected return on plan assets	3.25	1.00
Expected percentage salary increases	0.00 to 3.00	0.00 to 2.50
Expected percentage pension increases	0.00 to 2.40	0.00 to 2.40
Turnover rate	0.00 to 2.00	0.00 to 2.00

As at 31 December of the respective financial year, the following amounts were calculated using actuarial methods:

€ thousand	2023	2022
Present value of defined benefit pension obligations	11,126	10,433
Plan assets measured at fair value	-163	-162
Pension provisions as at 31 December	10,963	10,271

The amount recognised for pension provisions changed as follows:

€ thousand	2023	2022
Pension provisions as at 1 January	10,271	13,044
Expenses for pension obligations	497	338
Actuarial gains (-)/losses (+) *	560	-2,761
Disbursements from plan assets	4	4
Income from plan assets	-6	-2
Pension payments	-363	-352
Pension provisions as at 31 December	10,963	10,271

* before deferred taxes

Of the actuarial gains (-)/losses (+), € 603 thousand (previous year: € -3,276 thousand) resulted from changes in financial assumptions and € -43 thousand (previous year: € +515 thousand) from adjustments based on experience. As the demographic assumptions remained unchanged, they did not give rise to actuarial gains or losses.

The following amounts were recognised in the income statement of the respective financial year:

€ thousand	2023	2022
Service cost	131	195
Interest expense	367	143
Expected return on plan assets	-6	-2
Total recognised amounts	492	336

The following amounts were recognised in other comprehensive income in the respective financial year:

€ thousand	2023	2022
Cumulative actuarial gains (-)/losses (+) on 1 January *	1,709	3,597
Addition/disposal *	384	-1,894
Cumulative actuarial gains (-)/losses (+) on 31 December *	2,093	1,703

*after deferred taxes

Plan assets consisted of a reinsurance policy financed exclusively from employer contributions. The changes to the fair value of plan assets in the current financial year were as follows:

€ thousand	2023	2022
Opening balance of plan assets measured at fair value	162	160
Expected return on plan assets	6	2
Actuarial loss	-1	4
Disbursements from plan assets	-4	-4
Closing balance of plan assets measured at fair value	163	162

Pension payments of € 436 thousand are expected for the 2024 financial year. The weighted average term of the pension obligations for individual pension plans is between 11 and 17 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – NOTES CONCERNING THE CONSOLIDATED BALANCE SHEET

The present value of the defined benefit pension obligations and the fair value of the plan assets developed as follows:

€ thousand	2023	2022	2020	2019	2018
Defined benefit obligation	-11,126	-10,433	-14,609	-13,658	-11,538
Plan assets	163	162	166	171	170
Net obligation	-10,963	-10,271	-14,443	-13,487	-11,368

A key actuarial assumption used to determine pension provisions is the discount rate. The following sensitivity analysis was carried out by actuarial experts on the basis of reasonable potential change in the discount rate as at the reporting date, with the remaining assumptions remaining unchanged.

	Defined benefit obligation	
	€ thousand	%
Current assumption	10,963	
Discount rate -0.25%	11,503	5
Discount rate +0.25%	10,770	-2

Company pensions are adjusted in line with the development of the consumer price index. This adjustment is generally made every three years, which means that the inflation trend before the cut-off date also influences future pension adjustments (so-called adjustment backlog). Additional provisions of € 307 thousand were recognised in the 2023 financial year in connection with this adjustment backlog.

40 | OTHER PROVISIONS

The following table provides an overview of the development of other provisions in the 2023 and 2022 financial years.

€ thousand	2023	2022
Provisions for restoration obligations (non-current)	35,934	33,133
Other provisions (non-current)	32,208	28,855
Other non-current provisions as at 31 December	68,142	61,988
Other provisions (current)	6,438	4,571
Other current provisions as at 31 December	6,438	4,571

Provisions for restoration obligations include expected expenses for the dismantling and disposal of production facilities and reversing leasehold improvements and developed as follows in the 2023 and 2022 financial years:

€ thousand	2023	2022
Provisions as at 1 January	33,133	30,949
Additions	3,669	2,452
Disposals	0	0
Utilisation	-1,507	-302
Compounding	817	-225
Currency translation	-178	259
Provisions as at 31 December	35,934	33,133

For the measurement of provisions for restoration obligations, the discount rates with matching maturities were adjusted to the development of the capital markets in the 2023 financial year in accordance with IFRIC 1. The adjusted interest rates are between 1.88% and 3.05% (previous year: 2.45% and 2.61%). If the previous year's interest rates of 2.45% to 2.61% had been maintained, the provision would have been €1,053 thousand lower (previous year: €6,862 thousand higher). Payments for restoration are expected in the 2024 to 2045 financial years.

Other non-current provisions as at 31 December 2023 mainly relate to provisions for the obligation to process own radioactive waste and radioactive waste accepted from third parties as well as take-back obligations for sold radiation sources in the amount of €28,753 thousand (previous year: €26,039 thousand). These provisions are created based on the anticipated internal and external costs of processing, which are regularly reviewed and updated. Cost calculation is based on empirical values and past costs for disposal. The extrapolation of historical costs into the future involves estimation uncertainties, in particular due to

- uncertainty relating to future measurements of underlying disposal channels, the degree of usability and related external costs.
- inability to take into account potential amendments in legal and/or regulatory requirements affecting both internal expenses as well as external disposal costs.
- valuation risks due to the use of flat-rate price increases and fixed discount rates.

Other non-current provisions also include €1,570 thousand (previous year: €2,035 thousand) for long-term services still to be rendered for the fulfilment of various contracts, €985 thousand in provisions for impending losses from pending transactions (previous year: €0 thousand), personnel-related provisions (from long-service anniversaries and long-term bonuses) of €426 thousand (previous year: €328 thousand), provisions for clearance measurement and restoration in the amount of €234 thousand (previous year: €217 thousand) and archiving provisions in the amount of €235 thousand (previous year: €237 thousand).

Other non-current provisions developed as follows in the 2023 and 2022 financial years:

€ thousand	2023	2022
Provisions as at 1 January	28,855	28,887
Additions	6,395	4,398
Disposals	59	-745
Compounding	566	5
Utilisation	-3,667	-3,690
Currency translation	0	0
Provisions as at 31 December	32,208	28,855

Other current provisions totalling €6,438 thousand (previous year: €4,571 thousand) mainly relate to the current portion of radioactive waste requiring disposal.

41 | OTHER NON-CURRENT LIABILITIES

Other non-current liabilities decreased year-on-year from €10,686 thousand to €1,791 thousand. The liabilities remaining as at 31 December 2023 mainly relate to non-current liabilities from the acquisition of shares in Tecnonuclear SA, Argentina, to former shareholders in the amount of €1,313 thousand. The non-current liability from the acquisition of Myelo Therapeutics GmbH (€7,448 thousand) as at 31 December 2022 is now recognised at a value of €6,115 thousand due to the final PPA under the "Liabilities directly associated with assets held for sale" item.

42 | ADVANCE PAYMENTS RECEIVED

In connection with contracts with customers, the Group companies receive advance payments that are recognised as current liabilities. The advance payments received of €6,156 thousand reported as at 31 December 2022 were largely realised as revenue in the 2023 financial year. As at 31 December 2023, €4,540 thousand was reported as advance payments received. The advance payments of €24,892 thousand in connection with the plant engineering area as at 31 December 2023 are included in the "Contract assets" and "Contract liabilities" items.

43 | OTHER CURRENT LIABILITIES

Other current liabilities breaks down as follows as at 31 December 2023:

€ thousand	2023	2022
Liabilities from wages and salaries as well as other personnel-related liabilities	10,444	10,039
Liabilities related to social security	839	774
Liabilities to tax authorities	607	1,165
Liabilities from outstanding invoices and other accrued expenses	8,525	7,737
Liabilities to at-equity shareholders	1,408	1,408
Other liabilities	2,060	6,375
As at 31 December	23,883	27,498

This includes €8,798 thousand (previous year: €13,629 thousand) as financial liabilities. These are mainly liabilities to Atom Mines LCC, USA and liabilities from outstanding invoices.

44 | ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

This section provides an overview of the significance of financial instruments for the Group and additional information about balance sheet items that contain financial instruments.

Overview of financial assets and liabilities

The following table shows the carrying amounts and fair values for all categories of financial assets and liabilities in accordance with IFRS 9:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – NOTES CONCERNING THE CONSOLIDATED BALANCE SHEET

€ thousand	Measurement category under IFRS 9*	31/12/2023 Carrying amount	31/12/2023 Fair value	31/12/2022 Carrying amount	31/12/2022 Fair value
ASSETS					
Other non-current assets	AC	1,007	1,007	0	0
Other non-current assets	FVTPL	343	343	952	952
Cash and cash equivalents	AC	67,998	67,998	82,701	82,701
Trade receivables	AC	43,720	43,720	37,171	37,171
Other current assets	AC	475	475	475	475
		113,543	113,543	121,299	121,299
Thereof total by measurement category	AC	112,193	112,193	120,347	120,347
	FVTPL	1,350	1,350	952	952
LIABILITIES					
Non-current loan liabilities	AC	20,036	19,579	22,400	22,095
Other non-current liabilities	AC	479	479	478	478
Other non-current liabilities	FVTPL	1,313	1,313	10,207	10,207
Loans and financial lease liabilities	AC	6,352	6,352	0	0
Trade payables	AC	5,868	5,868	8,340	8,340
Other current liabilities	AC	8,798	8,798	13,629	13,629
Other current liabilities	FVTPL	0	0	1,377	1,377
		42,846	42,389	56,431	56,126
Thereof total by measurement category	AC	41,533	41,076	44,847	44,542
	FVTPL	1,313	1,313	11,584	11,584

The financial assets measured at fair value included the following items:

- As at 31 December 2023, the contingent receivable from the sale of shares in OctreoPharm Sciences GmbH, which was still valued at € 240 thousand as at 31 December 2022, was derecognised with effect on income. The fair value of this receivable was determined on the basis of the estimated probability of occurrence of individual milestones from the development project of OctreoPharm Sciences GmbH (measurement hierarchy level 3). With the newly acquired knowledge, the management now classifies the probability of occurrence as very low or 0%.
- The Group used an interest rate cap to hedge a € 20.0 million loan over five years with a variable interest rate based on the 3-month Euribor. As with the loan, this interest rate cap has a nominal value of € 20.0 million, a duration of five years, and a similar repayment structure. The strike takes place when the 3-month Euribor reaches 1.5%. As at 31 December 2023, the fair value of the derivative asset (measurement hierarchy level 2) from the interest rate cap was € 343 thousand (previous year: € 712 thousand). The fair value of the interest rate cap was determined using a standard market interest rate option valuation model, taking market parameters into account.

Financial liabilities measured at fair value included the following items:

- Liabilities from contingent purchase price payments from company acquisitions within the meaning of IFRS 3 in the amount of € 1,313 thousand as at 31 December 2023. The fair value of these liabilities is determined on the basis of the agreed conditions for variable purchase price determination and taking into account the estimated probability of occurrence of these conditions (measurement hierarchy level 3).

The net gains and losses recognised in accordance with IFRS 9 are shown in the following table:

Measurement category under IFRS 9	2023	2022
€ thousand		
Financial assets measured at amortised cost		
Interest income	830	220
Impairment losses (-)/reversals of impairment losses (+)	-139	-565
Foreign exchange gains (+)/foreign exchange losses (-)	1,795	2,859
	2,486	2,514
Financial assets measured at fair value through profit or loss		
Impairment losses (-)/reversals of impairment losses (+)	-369	427
	-369	427
Financial liabilities measured at amortised cost		
Interest expenses	-1,146	-745
Foreign exchange gains (+)/foreign exchange losses (-)	-2,240	-1,560
	-3,386	-2,305
Financial liabilities measured at fair value through profit or loss		
Interest expenses	0	0
Impairment losses (+)/reversals of impairment losses (-)	0	0
	0	0

Risk analysis

The Group is exposed to financial credit, default, liquidity and market risks in the course of business operations. Market risks relate, in particular, to interest rate and foreign exchange risks.

Credit risk

Credit risk or default risk means the risk that a customer or counterparty of Eckert & Ziegler Group cannot meet its contractual obligations. The result of this is, firstly, the risk of value impairments on financial instruments due to issues of credit rating and, secondly, the risk of partial or complete loss of contractually agreed payments.

The Group is mainly exposed to credit and default risk based on its trade receivables. Risk is primarily influenced by the size of the customer and the country-specific rules and practices for processing the reimbursement of medical services by public authorities.

As a general rule, the Group obtains a credit rating for new customers, and first deliveries are only made against advance payment. Deliveries to customers that are considered a permanent risk due to their size or location are secured by advance payments or letters of credit. Credit and default risk is monitored as part of a Group-wide risk management system, which involves a regular analysis of overdue trade receivables.

Risk exposure

The maximum default risk corresponded to the carrying amount of the trade receivables as at the reporting date in the amount of € 43,720 thousand (previous year: € 37,171 thousand).

As at the reporting date, a geographic breakdown of the maximum credit exposure with respect to current trade receivables was as follows:

€ thousand	2023	2022
Europe	19,890	19,010
North America	13,866	9,900
South America	3,112	3,947
Asia/Pacific	5,864	0
Other	988	4,314
As at 31 December	43,720	37,171

The risk of default is considered to be low. Due to the manageable number of customers, individual receivables items can be easily identified as impaired so that the Group recognises impairments in relation to expected loss events as well as objective indications of impairment, such as impending insolvency, if necessary. Expected probabilities of default are of secondary importance for the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – NOTES CONCERNING THE CONSOLIDATED BALANCE SHEET

The following classification of impaired receivables results from the analysis of receivables due and overdue:

€ thousand	2023	2022
Receivables not yet due	34,666	23,096
Past due 1 to 90 days	6,382	11,010
Past due by more than 90 days	3,581	4,654
Trade receivables	44,629	38,760
Value adjustment	-909	-1,589
Net trade receivables	43,720	37,171

The change in impairment losses recognised for trade receivables was as follows:

€ thousand	2023	2022
As at 1 January	1,589	1,210
Net additions	-680	379
As at 31 December	909	1,589

The reduction in impairments is mainly due to a payment from a customer whose receivables that have been overdue for years were recognised as not recognised in the past.

Save for trade receivables, the balance sheet does not contain any overdue or impaired financial assets. The Group considers the default risk of these other financial assets to be very low.

Liquidity risk

Liquidity risk means the risk that the Group will not be able to meet its financial obligations on time. The purpose of liquidity management is to ensure that adequate amounts of borrowed and own funds are available all times. As part of the Group's financial planning, a liquidity forecast is prepared, which can be used, among other things, to identify additional debt financing needs in advance. The Group generates its financial resources predominantly through its operating activities. As at 31 December 2023, Eckert & Ziegler AG and its subsidiaries also had access to cash credit lines of € 16,964 thousand (previous year: € 17,754 thousand) if required. These credit lines had not been drawn down. The Group also has guarantee lines totalling € 26,633 thousand (previous year: € 24,697 thousand) of which € 9,063 thousand (previous year: € 7,893 thousand) was freely available as at 31 December 2023.

As at the reporting date, the consolidated balance sheet shows liabilities to banks totalling € 26,388 thousand (previous year: € 22,400 thousand) that must be repaid within 5 years. In 2023 and 2022, external financing was requested from banks or submitted independently by banks for various projects. The various loan offers contained favourable terms and conditions, which leads to the conclusion that the Group has a good credit rating. The Executive Board believes this is because of the Group's solid financing with a high equity ratio and the favourable prospects of the operating units. In addition to the high equity ratio, solid balance sheet ratios further underpin the Group's creditworthiness, as non-current assets are more than covered by equity and non-current liabilities.

Based on its access to third-party financing and the forecast of liquidity requirements, it can be inferred that the Group currently has adequate financial resources to ensure its continued existence as a going concern. The Group also believes that it is in a position to meet all payment obligations, even if a slight increase in the debt ratio is necessary in the coming financial years in order to secure growth through further acquisitions, develop new locations and finance new product developments.

Risk exposure

The contractually agreed due dates for financial liabilities are as follows:

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES		31/12/2023				
		Carrying amount	Fair value	Cash outflow (amortisation)		
€ thousand			Total	up to 1 year	2 to 5 years	over 5 years
Loan liabilities	fixed interest rate	8,888	8,431	1,352	7,536	0
Loan liabilities	variable interest rate	17,500	17,500	5,000	12,500	0
Trade payables	non-interest bearing	5,868	5,868	5,868	0	0
Other liabilities	non-interest bearing	3,947	3,947	3,947	0	0
Derivative financial liabilities	variable interest rate	0	0	0	0	0
As at 31 December		36,203	35,746	16,167	20,036	0

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES		31/12/2022				
		Carrying amount	Fair value	Cash outflow (amortisation)		
€ thousand			Total	up to 1 year	2 to 5 years	over 5 years
Loan liabilities	fixed interest rate	6,400	6,095	0	6,400	0
Loan liabilities	variable interest rate	16,000	16,000	0	16,000	0
Trade payables	non-interest bearing	8,340	8,340	8,340	0	0
Other liabilities	non-interest bearing	15,519	15,519	15,519	0	0
Derivative financial liabilities	variable interest rate	0	0	0	0	0
As at 31 December		46,259	45,954	23,859	22,400	0

The cash outflows for the variable-interest liabilities in 2023 were based on an interest rate of 3M-euribor +1.50% (previous year: 3.75%).

Foreign exchange risks

The Group's international business activity exposes it to foreign exchange risks resulting from the influence of exchange rate fluctuations on transactions as well as assets and liabilities denominated in a foreign currency (transaction risks).

The main foreign currency transactions in the Eckert & Ziegler Group relate to the US dollar as a result of loan repayments and dividend payments of the US-based subsidiaries and the export business of the German subsidiaries. This effect is only partially offset by the operating activity of several subsidiaries that buy components and goods mainly in US dollars and then sell the end products mainly in euros.

If necessary, export transactions in foreign currencies are hedged using foreign exchange options and forward transactions. There were no open positions under forward exchange options or forward transactions as at the reporting date.

Risk exposure

As at the reporting date, the Group's exposure to transaction risk was as follows:

Foreign currency exposure expressed in € thousand	31/12/2023					31/12/2022				
	USD	GBP	ARS	CZK	BRL	USD	GBP	ARS	CZK	BRL
Cash and cash equivalents	17,366	1,433	460	661	1,381	25,882	1,200	1,050	577	1,966
Trade receivables	14,114	520	1,213	78	1,713	11,099	175	1,721	220	1,404
Trade payables	-1,520	-49	-470	-46	204	-1,651	-64	-759	-78	-239
Balance sheet exposure	29,960	1,904	1,203	693	3,298	35,330	1,311	2,012	719	3,131

Sensitivity analysis

Provided that all other assumptions remain unchanged, a 10% appreciation of the euro against the following currencies would lead to the following increases (decreases) in comprehensive income as at the reporting date:

effect expressed in € thousand	31/12/2023					31/12/2022				
	USD	GBP	ARS	CZK	BRL	USD	GBP	ARS	CZK	BRL
Comprehensive income	-2,724	-173	-109	-63	-300	-3,212	-119	-183	-65	-285

A 10% fall in the euro against the currencies listed above would have had a similar but opposite effect on the currencies listed as at the reporting date.

The foreign exchange rates listed under Note 3 were used as the basis for the sensitivity analysis.

Interest rate risk

The Group used an interest rate cap to hedge a €20.0 million loan over five years with a variable interest rate based on the 3-month Euribor. As with the loan, this interest rate cap has a nominal value of €20.0 million, a duration of five years, and a similar repayment structure. The strike takes place when the 3-month Euribor reaches 1.5%. As at 31 December 2023, the fair value of the derivative asset from the interest rate cap was €343 thousand.

With regard to other interest rate risks, the Group's exposure to interest rate risk due to fluctuations in market interest rates is low for financial assets and liabilities with medium- to long-term maturities, since few of the assets and liabilities have variable interest rates.

With regard to the other items, no hedging is undertaken if a change in interest rates does not impact on cash flow.

Risk exposure

The Group had the following interest-bearing financial assets and liabilities as at the reporting date:

€ thousand	2023	2022
Interest-bearing financial assets	475	2,005
– thereof variable interest rate	0	0
– thereof fixed interest rate	475	2,005
Interest-bearing financial liabilities	26,388	22,400
– thereof variable interest rate	17,500	16,000
– thereof fixed interest rate	8,888	6,400

Sensitivity of the cash flows for variable-interest financial instruments

An increase in the market interest rate by 100 basis points on the reporting date – keeping all other assumptions the same – would have led to the following increase (decrease) in the net profit or loss for the period:

effect expressed in € thousand	2023		2022	
	+ 100 basis points	– 100 basis points	+ 100 basis points	– 100 basis points
Result for variable-interest financial instruments	0	0	0	0

The zero effect arises because an interest cap in the opposite direction and of almost the same amount acts against the (mathematically expected) increase in interest expense.

Capital management

Pursuant to Section 92 of the German Stock Corporation Act (AktG), Eckert & Ziegler AG (parent company) is subject to minimum capitalisation in accordance with German stock corporation and commercial law rules. Accordingly, an Extraordinary General Meeting must be called if the sum of the parent company's equity as calculated in accordance with German commercial law rules falls below 50% of the subscribed capital. This did not materialise in the 2023 and 2022 financial years.

To finance its growth strategy, the Group uses its own liquidity and, increasingly, external financing consisting of a mix of long-term loans and short-term cash credit lines, which can be drawn down flexibly depending on need and utilisation. The focus will continue to be on securing the Group's financing for the coming periods.

The Group pursues a conservative investment and borrowing policy geared towards flexibility and maintains a well-balanced investment and financing portfolio. The Group is not subject to any external capital requirements. Ensuring the Group's liquidity and creditworthiness, including guaranteed access to the capital market at all times, and effectively increasing the company value are the main financial management objectives.

Measures to achieve these goals include capital structure optimisation, the dividend policy, acquisitions, and, if necessary, equity measures. Capital requirements and capital procurement should be coordinated in a manner that takes requirements in terms of earnings, liquidity, security, and autonomy into appropriate consideration. The Group's overall strategy has remained unchanged compared to 2022.

NOTES CONCERNING THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents reported in the consolidated statement of cash flows include cash and cash equivalents reported on the balance sheet, consisting of cash on hand, cheques, balances with financial institutions and all highly liquid assets with a residual maturity of no more than three months from the date of acquisition.

The consolidated statement of cash flows shows how the cash and cash equivalents of the Eckert & Ziegler Group changed during the financial year as a result of cash inflows and outflows. In accordance with IAS 7 (Statement of Cash Flows), cash flows in the consolidated statement of cash flows are divided into cash flows from operating, investing and financing activities.

Changes in the balance sheet items examined for the development of the consolidated statement of cash flows are adjusted for the non-cash effects of currency translation and changes to the scope of consolidation. Furthermore, investing and financing transactions that did not have an impact on liquid assets are not included in the statement of cash flows. Because of the adjustments mentioned above, the changes in the respective balance sheet items reported in the consolidated statement of cash flows cannot be compared directly with the corresponding values in the published consolidated balance sheet.

45 | OPERATING ACTIVITIES

Cash inflows and outflows are determined indirectly, based on consolidated net income after taxes. Net income after taxes is adjusted for non-cash expenses and supplemented by changes in assets and liabilities.

46 | INVESTING ACTIVITIES

Cash flows from investing activities are calculated based actual payment transactions. They include cash flows related to the acquisition, production and sale of intangible assets and property, plant and equipment not included in cash and cash equivalents.

47 | FINANCING ACTIVITIES

Cash flows from financing activities are calculated based on actual payment transactions and include the taking out and repayment of loans and other financial liabilities, lease liabilities as well as cash flows between the Group and its shareholders, such as dividend payments.

The Group has elected to classify interest paid and interest received as cash flows from financing activities in accordance with IAS 7.33.

Discontinued operations

€ thousand	31/12/2023	31/12/2022
Cash flow from operating activities	2,197	-3,654
Cash outflow from investing activities	-4,940	-4,046
Cash inflow from financing activities	11,358	5,456
Cash outflow from discontinued operations	8,615	-2,244

OTHER DISCLOSURES

48 | OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES AND RECEIVABLES

The Group's most important companies issue letters of comfort to third parties in order to secure the liabilities and obligations of affiliated companies (e.g. under leases or as a contract performance guarantee). Directly enforceable maximum-sum guarantees are also provided to secure all claims under surety and credit lines as well as under loan agreements of subsidiaries. The company does not expect any claims under these.

The following events are of importance:

When the German Radiation Protection Act (StrlSchG) entered into force on 1 January 2019, the supervisory authority was given the ability to require the posting of security for legacy facilities as well. This security also relates to radioactive materials that originate from handling. In December 2020, Eckert & Ziegler Nuclitec GmbH, as licence holder for the Braunschweig location, was ordered to post security of €8.0 million. In order to avoid tying up liquidity at the overall Group level of Eckert & Ziegler, this security was posted in the form of a letter of comfort from EZAG, which was sent on time to the competent supervisory authority for approval. The draft of this letter of comfort is still awaiting approval by the authorities.

Another subsidiary received a licence to handle other radioactive substances in summer 2023 in accordance with Section 12(1) no. 3 of the Radiation Protection Act (StrSchG). In August 2023, the company issued a letter of comfort to the Free State of Saxony, represented by the Saxon State Office for Agriculture, Environment and Geology (LfULG), to secure the obligation of this subsidiary to dispose of such radioactive substances resulting from the handling of the licence. The obligation is limited to €4,575 thousand.

In addition, Eckert & Ziegler Radiopharma GmbH provided a letter of comfort to the lessor of an affiliate, stating it is at all times capable of properly removing the radioactive waste temporarily stored at the leased property or of temporarily storing it elsewhere.

49 | SEGMENT REPORTING

In accordance with IFRS 8, operating segments must be separately identified based on the Group's internal management reporting. These internal segments are those that are regularly audited by the Group's main decision-makers with regard to decisions about the distribution of resources to this segment and the assessment of its financial performance.

The individual segments offer different products and are also organisationally separated by location. The applied accounting standards of the individual segments are consistent with those described in the summary of the main accounting policies (Note 3). Segment information is not consolidated. This corresponds to the information used by the Executive Board as part of regular management reporting. Intra-group leases are not accounted for in accordance with IFRS 16, and no corresponding right-of-use assets or lease liabilities are thus recognised under segment assets or segment liabilities. Transactions between the segments are settled at market prices.

The **Isotope Products** segment manufactures and distributes standards and radiation sources for medical and industrial purposes. Standards are radioisotopes for calibration purposes. They are generally sold to scientific institutions. Industrial radiation sources are found in various measuring equipment for industrial facilities and other measuring devices, for example, safety equipment at airports and in crude oil exploration. They are sold to the manufacturers or operators of plants and systems. The medical radiation sources include radioactive sources for the calibration of gamma cameras. The production sites for this segment are located in Europe and in North and South America. Worldwide revenue and distribution also takes place from these locations. In addition, the segment offers a variety of services: taking back sources from customers and accepting low-level isotope technology waste, e.g. from hospitals and other facilities, processing and conditioning of radioactive waste, recycling of isotope technology material, transport and logistics, arranging service technicians for the inspection, maintenance and commissioning of irradiation systems, professional disposal of waste and restoration. This means that the Isotope Products segment offers the entire range of services relating to radiation sources for medical and industrial purposes.

In the **Medical** segment, the largest share of revenue is generated from pharmaceutical-quality radioactive ingredients that play a diagnostic or therapeutic role as part of a medication. The most important items include the $^{68}\text{Ge}/^{68}\text{Ga}$ radionuclide generator GalliaPharm[®], which enables the radioactive labelling of carrier molecules for the purpose of the sensitive diagnosis of various types of cancers, and the therapeutic isotopes yttrium-90, lutetium-177 and phosphorous-23. Yttrium-90 has a number of uses, such as in the production of radioactive embolizers for the treatment of liver tumours

In addition, the segment markets products designed for radiation therapists, a group of doctors that is specialised in treating cancer through irradiation. The two most important products are small implants for the treatment of prostate cancer based on iodine-125 (so-called "seeds") and eye applicators based on ruthenium-106 and iodine-125 for the treatment of uveal melanomas (eye cancer).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – OTHER DISCLOSURES

Finally, the Medical segment includes a project business directed at international medication developers, which provides them with support in the development and approval of new radiopharmaceuticals, the manufacture of test batches, and the development of production facilities and the associated infrastructure. The business is grouped around a plant engineering department located in Dresden, whose range of products is supplemented by laboratory equipment, radiosynthesis equipment, quality-control equipment and consumables, as well as a wide array of services.

The **Other** segment comprises the items of the holding company Eckert & Ziegler Strahlen- und Medizintechnik AG as well as Pentixapharm AG and Myelo Therapeutics GmbH.

SEGMENT REPORTING

€ thousand	Isotope Products		Medical		Other		Elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from external customers	130,886	131,361	115,206	90,868	0	0	0	0	246,092	222,229
Revenue from other segments	9,145	5,220	407	395	0	0	-9,553	-5,615	0	0
Total segment revenue	140,031	136,582	115,613	91,263	0	0	-9,553	-5,615	246,092	222,229
Net income/expense from interests measured at equity	249	275	-225	100	288	0	0	0	312	375
Segment net income/expense before interest and taxes (EBIT)	23,745	21,514	24,545	25,465	-2,838	-175	0	0	45,452	46,804
Interest income/expenses	-1,337	-814	-1,226	-509	-583	-216	0	0	-3,146	-1,539
Income taxes	-6,147	-5,711	-6,087	-8,627	409	434	0	0	-11,825	-13,904
Result from discontinued operations					-3,714	-1,614			-3,714	-1,614
Net income/expense before non-controlling interests	16,261	14,989	17,232	16,330	-6,725	-1,571	0	0	26,768	29,747

SEGMENT REPORTING

€ thousand	Isotope Products		Medical		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Segment assets	206,030	209,762	162,087	141,728	220,441	185,782	588,558	537,272
Elimination of interests, participations, and receivables between segments							-149,194	-129,816
Consolidated total assets							439,364	407,456
Segment liabilities	-112,318	-113,738	-98,714	-86,811	-45,866	-25,932	-256,898	-226,481
Elimination of liabilities between segments							41,626	32,654
Consolidated liabilities							-215,271	-193,827
Participations in associates	1,843	1,660	30,268	12,312	0	0	32,111	13,972
Investments (not including company acquisitions)	9,649	10,170	15,608	19,453	1,020	5,005	26,276	34,628
Scheduled depreciation/amortisation, including right-of-use assets under IFRS 16	6,992	-6,169	5,082	-3,075	1,301	-1,262	13,374	-10,506
Other material non-cash income (+)/expenses (-)	-1,884	41	-1,012	-261	-193	21	-3,089	-199

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT, BY REGION

€ thousand	2023	2022
Germany	72,619	109,977
USA	44,424	40,636
Other	43,555	31,524
Total	160,598	182,136

EXTERNAL REVENUE, BY GEOGRAPHIC REGION

	2023		2022	
	€ million	%	€ million	%
Europe	97.6	40	95.0	43
North America	96.6	39	78.7	35
Asia/Pacific	30.9	12	22.5	10
Other	21.0	9	26.1	12
Total	246.1	100	222.3	100

The classification by geographical region is based on the headquarters of the recipient of the service. Revenue in North America relates almost exclusively to the USA.

In the 2023 and 2022 financial years, the Group did not have any individual customers that generated more than 10% of total consolidated revenue.

50 | RELATED PARTIES

In accordance with IAS 24, transactions must be disclosed if they involve parties or companies that control Eckert & Ziegler AG or are controlled by Eckert & Ziegler AG. Transactions between the company and its subsidiaries, which are related parties, were eliminated in the course of consolidation and are therefore not discussed in this note. Details of transactions between the Group and other related parties are disclosed below. Transactions between Eckert & Ziegler AG and related parties are settled on terms equivalent to those that prevail with unrelated third parties.

(1) Management members in key positions

Executive Board

Dr Harald Hasselmann (member of the Executive Board until 7 June 2023, responsible for sales in the Medical segment and for Human Resources; Chairman of the Executive Board from 8 June 2023, responsible for Group strategy, finance and capital market communications), Berlin, businessman – *On other supervisory bodies: Member of the Supervisory Board of Pentixapharm AG, Würzburg*

- **Jutta Ludwig** (member of the Executive Board since 1 January 2023, responsible for the Asian business of the Eckert & Ziegler Group), Hamburg, economics graduate and sinologist – *On other supervisory bodies: none*
- **Franklin Yeager** (member of the Executive Board since 1 January 2023, responsible for the Isotope Products segment), Valencia, USA – *On other supervisory bodies: none*

Other management members in key positions

- **Dr Gunnar Mann** (member of the Group Executive Committee, responsible for central Group services)
- **Joseph Hathcock** (member of the Group Executive Committee, Vice President of Eckert & Ziegler Isotope Products Inc.)
- **Dr Lutz Helmke** (member of the Executive Board until 7 June 2023, responsible for operational issues in the Medical segment), Berlin, PhD in radiochemistry
- **Dr Hakim Bouterfa** (member of the Executive Board from 1 January 2023 to 31 December 2023, responsible for clinical development), Hettstadt, Dipl. hum. biol., Dr rer. physiol
- **Ivan Simmer** (Managing Director and minority shareholder of Eckert & Ziegler Cesio s.r.o.)

Supervisory Board

In the 2023 financial year, the Supervisory Board comprised the following members:

- **Prof. Dr Wolfgang Maennig** (Chairman until 7 June 2023), Berlin, university professor – *On other supervisory bodies: none*
- **Dr Andreas Eckert** (Chairman of the Executive Board until 7 June 2023, responsible for group strategy, finance and capital market communications as well as for the Isotope Products and Other segments; Chairman of the Supervisory Board from 8 June 2023), Wandlitz, businessman – *On other supervisory bodies: Chairman of the Supervisory Board of Pentixapharm AG, Würzburg*
- **Prof. Helmut Grothe** (Deputy Chairman), Wandlitz, lawyer, professor at the Free University of Berlin – *On other supervisory bodies: none*
- **Albert Rupprecht**, Waldthurn, economics graduate, member of the German Bundestag – *On other supervisory bodies: none*
- **Dr Edgar Löffler**, Berlin, medical physicist – *On other supervisory bodies: none*
- **Frank Perschmann**, Berlin, engineering graduate – *On other supervisory bodies: none*
- **Paola Eckert-Palvarini**, Wandlitz, physics graduate – *On other supervisory bodies: none*

No transactions were conducted with members of the Supervisory Board in the 2023 financial year. In the previous year, Eckert & Ziegler AG concluded a consultancy agreement with a member of the Supervisory Board in connection with

the development of the Group's business activities in China. This agreement resulted in expenses of € 8 thousand in the 2022 financial year.

(2) Joint ventures in which the Group is a partner company

Eckert & Ziegler BEBIG GmbH holds 15% of the interests in the associate ZAO NanoBrachyTech. Eckert & Ziegler BEBIG GmbH supplies weak radioactive implants to OOO BEBIG, a wholly-owned subsidiary of the joint venture. Sales revenue with OOO BEBIG totalled € 1,596 thousand (previous year: € 975 thousand) in the 2023 financial year. As at 31 December 2023, there were no outstanding receivables and no liabilities of Eckert & Ziegler BEBIG GmbH from advance payments received from OOO BEBIG (previous year: € 15 thousand).

(3) Other related parties

- Eckert Wagniskapital und Frühphasenfinanzierung GmbH (EWK), which holds 31.1% of the shares of Eckert & Ziegler AG and whose principal member, Dr Andreas Eckert, is the Chairman of the Supervisory Board of Eckert & Ziegler AG.
- ELSA 1 Beteiligungen GmbH (formerly Eckert Life Science Accelerator GmbH), which is a wholly owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- ELSA 2 Beteiligungen GmbH, which is a wholly-owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- ELSA 3 Beteiligungen GmbH (formerly Eckert Beteiligungen 2 GmbH), which is a wholly owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- ELSA 4 Beteiligungen GmbH, which is a wholly-owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- Eckert Digital UG (limited liability), in which Eckert Wagniskapital und Frühphasenfinanzierung GmbH has a 10% stake.

In 2023 and 2022, the following significant transactions were conducted with related parties, whereby all transactions were settled at arm's length.

Eckert & Ziegler AG has concluded a consultancy agreement with Eckert Wagniskapital und Frühphasenfinanzierung GmbH. The company wishes to have access to the consulting firm's specific knowledge and particular experience, in particular in the person of Dr Eckert, and to provide advisory services that go beyond Dr Eckert's activities as a member of the Supervisory Board. The consultancy agreement has been in place since 1 July 2023. Eckert & Ziegler AG spent € 20 thousand (of which € 6 thousand for actual consulting and € 14 thousand for remuneration in kind) for the last six months of the year (previous year: € 0 thousand).

ELSA 3 Beteiligungen GmbH has let a production and administration building in Berlin-Buch to Eckert & Ziegler AG. In the financial year, Eckert & Ziegler AG paid an amount of € 853 thousand (previous year: € 772 thousand) for rent. As at 31 December 2022, due to the application of lease accounting under IFRS16, the balance sheet showed lease liabilities owed to ELSA 3 Beteiligungen GmbH in the amount of € 8,633 thousand (previous year: € 5,640 resulting from the translation of the financial statements of foreign subsidiaries).

Eckert Digital UG (limited liability) did not provide any services in connection with the management of the securities custody account in the 2023 financial year (previous year: € 20 thousand).

Eckert & Ziegler AG sold 100,000 shares in Pentixapharm AG to ELSA 2 Beteiligungen GmbH with effect from 30 November 2023. The purchase price per share sold was € 4.81, totalling € 481 thousand. The sales price was determined on the basis of the most recent, isolated measurements and/or on the basis of the most recent transactions with third parties. The profit and loss transfer agreement concluded between Eckert & Ziegler Strahlen- und Medizintechnik AG, as the controlling company, and Pentixapharm AG (formerly Pentixapharm GmbH) on 28 June 2022 was terminated by law at the end of 31 December 2023 due to the participation of an outside shareholder on 30 November 2023 in accordance with Section 307 of the Stock Corporation Act (AktG).

In the previous year, Eckert & Ziegler AG acquired all shares (98,727 shares) in Myelo Therapeutics GmbH, Berlin. 41,883 shares (42.4%) were acquired directly from ELSA 2 Beteiligungen GmbH, partly in cash and partly through the transfer of 30,000 treasury shares.

The balances of the Eckert & Ziegler Group's related parties with regard to receivables, loan receivables, liabilities and loan liabilities as at 31 December of the 2023 and 2022 financial years are as follows:

€ thousand	2023	2022
Receivables from related parties	0	0
Liabilities to related parties	8,633	5,655

51 | DISCLOSURES CONCERNING THE REMUNERATION OF MEMBERS OF GOVERNING BODIES

The company's remuneration policy for members of governing bodies as well for the Executive Board and the Supervisory Board is set out in the remuneration report. The remuneration report is published separately and is available on our website at: www.ezag.com > *Investors* > *Corporate Governance*.

Remuneration of the Executive Board

In the 2023 financial year, the members of the Executive Board received total remuneration of € 2,701 thousand (previous year: € 1,999 thousand). Of this total remuneration, € 1,519 thousand (previous year: € 949 thousand) was attributable to fixed remuneration components and € 1,182 thousand (previous year: € 1,050 thousand) to variable remuneration components.

Remuneration of the Supervisory Board

In the 2023 financial year, the members of the Supervisory Board received fixed remuneration totalling € 175 thousand (previous year: € 161 thousand) and attendance fees totalling € 41 thousand (previous year: € 36 thousand). This corresponds to total expenses of € 216 thousand (previous year: € 197 thousand).

52 | EVENTS AFTER THE REPORTING DATE

There were no events of special significance after the reporting date that had a material impact on the Group's net assets, financial position and financial performance.

53 | TOTAL FEE OF THE GROUP AUDITOR

As a result of the Financial Market Integrity Strengthening Act (FISG) passed on 21 May 2021, which requires the external rotation of auditors after ten years, the Annual General Meeting on 7 June 2023 resolved to appoint Mazars GmbH & Co. KG as auditor of the annual and consolidated financial statements. Prior to this, the auditing firm BDO AG was the auditor for nine years.

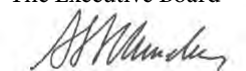
For the services rendered by the auditor of the consolidated financial statements in the financial year, a total fee excluding customary expenses of € 224 thousand was payable. € 191 thousand of this relates to auditing services for the audit of the annual and consolidated financial statements of EZAG and various subsidiaries, while € 29 thousand relates to other certification services and € 4 thousand to other services. No tax consultancy services were provided.

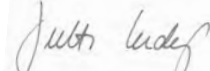
54 | STATEMENT OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH ARTICLE 161 AKTG (COMPLIANCE STATEMENT)


The statement of compliance with the German Corporate Governance Code required in accordance with Section 161 of the German Stock Corporation Act (AktG) was issued by the Executive Board and the Supervisory Board and made permanently available to shareholders on the Group's website at www.ezag.com

Berlin, 19 March 2024

Eckert & Ziegler Strahlen- und Medizintechnik AG
 The Executive Board


 Dr Harald Hasselmann


 Jutta Ludwig


 Franklin Yeager

CONSOLIDATED STATEMENT OF CHANGES IN ASSETS

CHANGES IN ASSETS AS AT 31 December 2023

€ thousand	Balance as at 1 January 2023	Disposals (IFRS 5)	Disposals (at-equity)	Additions	Disposals	Reclassi- fications	Currency translation and inflation adjustment	Historical costs
								Balance as at 31 Decem- ber 2023
NON-CURRENT ASSETS								
I. Intangible assets								
1 Goodwill	49,771	-775	0	0	5,156	0	-1,528	42,312
2 Acquired intangible assets	46,400	-22,521	0	227	137	11	-1,996	21,984
3 Internally generated intangible assets	24,935	-29,467	0	10,747	0	0	43	6,258
4 Advance payments made	670	0	0	2,942	0	-11	0	3,601
	121,776	-52,763	0	13,916	5,293	0	-3,481	74,155
II. Property, plant and equipment								
1 Land and buildings	42,449	0	-390	1,111	0	197	-1,717	41,650
2 Plant and machinery	66,854	-286	27	4,568	954	9,102	-864	78,393
3 Other plant and equipment	15,340	-169	-1	1,243	183	146	-161	16,215
4 Plants under construction	26,524	0	-15,093	19,652	3	-9,445	-931	20,704
	151,167	-455	-15,511	26,574	1,140	0	-3,673	156,962
	272,943	-53,218	-15,511	40,490	6,433	0	-7,154	231,117

Balance as at 1 January 2023	Depreciation/amortisation						Residual carrying amounts		
	Disposals (IFRS 5)	Disposals (at- equity)	Additions	Disposals	Reclassi- fications	Currency translation and inflation adjustment	Balance as at 31 Decem- ber 2023	Balance as at 31 Decem- ber 2023	Balance as at 1 January 2023
6,630	0	0	0	0	0	-41	6,589	43,141	35,723
12,682	-125	0	962	137	0	-101	13,281	33,718	8,703
5,457	0	0	49	0	0	1	5,507	19,478	751
0	0	0	0	0	0	0	0	670	3,601
24,769	-125	0	1,011	137	0	-141	25,377	97,007	48,778
11,224	0	-16	1,505	0	-3	-267	12,443	31,225	29,207
43,465	-55	-8	6,436	298	-1	-354	49,185	23,389	29,208
11,348	-16	-1	1,363	165	4	-91	12,442	3,992	3,773
0	0	0	0	0	0	0	0	26,524	20,704
66,037	-71	-25	9,304	463	0	-712	74,070	85,130	82,892
90,806	-196	-25	10,315	600	0	-853	99,447	182,137	131,670

CHANGES IN ASSETS AS AT 31 December 2022

€ thousand	Balance as at 1 January 2021	Additions through company acquisitions	Historical costs				Balance as at 31 December 2022
			Additions	Disposals	Reclassifications	Currency translation	
NON-CURRENT ASSETS							
I. Intangible assets							
1 Goodwill	39,697	9,089	0	0	0	985	49,771
2 Acquired intangible assets	41,268	5,405	3,752	5,631	101	1,505	46,400
3 Internally generated intangible assets	8,541	12,350	4,044	0	0	0	24,935
4 Advance payments made	100	0	533	0	37	0	670
	89,606	26,844	8,329	5,631	138	2,490	121,776
II. Property, plant and equipment							
1 Land and buildings	29,319	1,956	5,150	2	3,349	2,677	42,449
2 Plant and machinery	58,272	493	3,958	423	3,062	1,492	66,854
3 Other plant and equipment	13,231	172	1,675	689	274	677	15,340
4 Plants under construction	18,872	0	15,516	2,148	-6,823	1,106	26,524
	119,694	2,621	26,299	3,262	-138	5,952	151,167
	209,300	29,465	34,628	8,893	0	8,442	272,943

Balance as at 1 January 2021	Depreciation/amortisation				Balance as at 31 December 2022	Residual carrying amounts	
	Additions	Disposals	Reclassi- fications	Currency translation		Balance as at 31 Decem- ber 2022	Balance as at 1 January 2021
6,087	474	0	0	69	6,630	43,141	33,610
16,682	1,140	5,630	0	490	12,682	33,718	24,586
5,406	51	0	0	0	5,457	19,478	3,135
0	0	0	0	0	0	670	100
28,175	1,665	5,630	0	559	24,769	97,007	61,431
8,697	1,213	2	3	1,313	11,224	31,225	20,622
38,865	3,849	423	0	1,174	43,465	23,389	19,407
10,261	1,274	671	-3	487	11,348	3,992	2,970
0	0	0	0	0	0	26,524	18,872
57,823	6,336	1,096	0	2,974	66,037	85,130	61,871
85,998	8,001	6,726	0	3,533	90,806	182,137	123,302

INDEPENDENT AUDITOR'S REPORT

To Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin

Audit opinions

We have audited the consolidated financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash-flow statement for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Eckert & Ziegler Strahlen- und Medizintechnik AG for the financial year from 1 January to 31 December 2023. In accordance with German legal requirements we have not audited the content of those parts of the group management report listed in the "Other information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report listed in the "Other information" section of our auditor's report.

Pursuant to § 322 (3) sent. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW) [Institut der Wirtschaftsprüfer in Deutschland. Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

IMPAIRMENT OF GOODWILL

Related information in the consolidated financial statements

For information on the accounting and valuation principles applied to goodwill, please refer to the disclosures in section 3 "Significant accounting and valuation principles" ("Goodwill" and "Impairment of intangible assets and property, plant and equipment") in the notes to the consolidated financial statements. Quantitative disclosures on goodwill are included in the notes to the consolidated balance sheet in section 26 "Intangible assets" of the notes to the consolidated financial statements.

Facts and risk for the audit

Goodwill amounting to € 35.7 million is reported in the consolidated financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG. Goodwill represents 17 % of non-current assets.

Goodwill is subjected to an annual impairment test by the company in order to determine a possible need for amortization. As a result of the impairment test, there was no need for impairment in the reporting year. The result of these valuations depends to a large extent on how the legal representatives estimate future cash surpluses and derive the discount rates used in each case. Due to the uncertainties underlying the valuation and the subjective assumptions and estimates used in the valuation, the recoverability of goodwill is a key audit matter in the context of our audit.

Audit approach and findings

As part of our audit, we analyzed the process implemented by the Executive Board of Eckert & Ziegler Strahlen- und Medizintechnik AG and the accounting policies for determining the recoverable amounts of cash-generating units to which goodwill was allocated for potential risks of error with the support of our company's valuation specialists and obtained an understanding of the process steps. We assessed the Company's methodology for determining the capitalization rates and for deriving the fair values.

We analyzed the corporate planning by comparing it with the results actually achieved in the past and current developments in the business figures. We verified the key assumptions of the corporate planning regarding growth and business development by discussing them in detail with the management of Eckert & Ziegler Strahlen- und Medizintechnik AG. On this basis, we assessed their appropriateness.

We analyzed the parameters used to determine the discount rates with regard to their appropriate derivation and verified their calculation in accordance with the requirements of IAS 36.

We used sensitivity analyses to assess impairment risks in the event of changes in significant valuation assumptions. We also verified the mathematical accuracy of the valuation models in accordance with the requirements of IAS 36.

On the basis of our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors with regard to the recoverability of goodwill are justified and balanced.

DISCLOSURE AND MEASUREMENT OF DISCONTINUED OPERATIONS

Related information in the consolidated financial statements

Information on discontinued operations can be found in section 10 "Discontinued operations" of the notes to the consolidated financial statements and in section 1.1 "Group business model" of the Group management report.

Facts and risk for the audit

In October 2023, the Supervisory Board of Eckert & Ziegler AG granted the Executive Board its approval for a spin-off of up to 100 % of the shares in Pentixapharm AG. Pentixapharm AG and its subsidiary Myelo Therapeutics GmbH form the division comprising the Group's clinical assets, which is to be discontinued in the future and was classified as a discontinued operation in accordance with IFRS 5 from this date. Accordingly, the consolidated financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG show assets classified as held for sale in the Clinical Assets division in the amount of € 65.3 million and associated liabilities classified as held for sale in the amount of € 21.8 million. A result from discontinued operations of € -3.7 million is reported in the consolidated income statement for the 2023 financial year.

The allocation of the assets, liabilities, expenses and income of the Clinical Assets division and therefore the disclosure as a discontinued operation in accordance with IFRS 5 are complex. In addition, there is a risk for the consolidated financial statements that the valuation of the disposal group is not appropriate. With regard to the explanatory disclosures on the discontinued operation in the notes to the consolidated financial statements, there is a risk that the presentation is not sufficiently detailed and appropriate. The recognition and measurement of the discontinued operation Clinical Assets was therefore a key audit matter in the context of our audit.

Audit approach and findings

We assessed the process initiated to spin off the division on the basis of the company's documentation and by interviewing the Management Board and the Supervisory Board. As part of our audit, we also assessed whether the assets and liabilities as well as the income and expenses of Pentixapharm AG and Myelo Therapeutics GmbH were correctly allocated to the discontinued operation. In order to assess the valuation of the assets classified as held for sale, we reviewed the final valuation and purchase price allocation reports commissioned by the Company for the assets of Myelo Therapeutics GmbH with the support of our company's valuation specialists. Furthermore, with regard to the recoverability of the assets, we inspected the current status of the documents of the valuation expert commissioned by the company to prepare the spin-off, analyzed them, verified the key valuation parameters and had the expert explain the procedure to us. In addition, we assessed whether the presentation in the notes to the consolidated financial statements and the Group management report on the discontinued operation is sufficiently detailed and appropriate.

On the basis of our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors with regard to the allocation of assets and liabilities as well as expenses and income and thus the presentation of the Clinical Assets division as a discontinued operation in accordance with IFRS 5 and with regard to the recoverability of the assets classified as held for sale are appropriate. The presentation of the discontinued operations in the notes to the consolidated financial statements is sufficiently detailed and appropriate.

MEASUREMENT OF PROVISIONS FOR RESTORATION OBLIGATIONS AND PROVISIONS FOR DISPOSAL OBLIGATIONS

Related information in the consolidated financial statements

Information on provisions can be found in section 3 "Significant accounting policies" ("Provisions") and in section 40 "Other provisions" of the notes to the consolidated financial statements.

Facts and risk for the audit

In the consolidated financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG, provisions for decommissioning obligations amounting to € 35.9 million are reported under "Other non-current provisions". In addition, provisions for the obligation to process own radioactive waste and radioactive waste accepted from third parties as well as take-back obligations for sold radiation sources (hereinafter referred to as "provisions for disposal obligations") amounting to € 28.8 million are reported under "other non-current provisions" and € 6.4 million under "other current provisions".

Group companies of Eckert & Ziegler Strahlen- und Medizintechnik AG produce isotope technology components, irradiation equipment and radiopharmaceuticals in their own and in rented buildings, as a result of which the production facilities and buildings used for this purpose are contaminated. Due to existing obligations to restore the site to its condition prior to decontamination, provisions must be recognized for restoration obligations.

In the production process of Group companies of Eckert & Ziegler Strahlen- und Medizintechnik AG, radioactive waste is produced and, in addition, Group companies of Eckert & Ziegler Strahlen- und Medizintechnik AG accept radioactive waste from third parties for disposal. Provisions must be formed for these disposal obligations.

In accordance with IAS 37, the provisions must be measured on the basis of the best possible estimate of the expenses associated with the obligation as at the balance sheet date. All risks and uncertainties must be taken into account. Non-current provisions must be discounted to the present value of the expenses on the reporting date.

The calculation of the decommissioning and disposal obligations is based on various assumptions, which are based on estimates that essentially relate to the following parameters:

- Time at which the costs of decontamination or disposal are incurred (including the time at which the residual materials are released),
- Development of legal regulations, e.g. on limit values and required measures regarding the handling of radioactive substances (including forecast of disposal routes),
- Development of the costs of decontamination and disposal,
- Discount factor.

Due to the uncertainty associated with the assumptions and estimates made by the executive directors and the amounts involved, the measurement of the provisions for restoration and disposal obligations was a key audit matter in the context of our audit.

Audit approach and findings

To assess the provisions for restoration obligations, we evaluated the legal representatives' approach to determining the measures to be taken (e.g. cleaning). In order to identify the expected date of demolition, we assessed, among other things, the lease term in accordance with the existing lease agreements and reconciled this with the underlying schedule. We reviewed the scope of the measures and the dismantling obligations as well as the costs assumed by the legal representatives for the valuation. For this purpose, we reconciled the production facilities with the schedule of assets as part of a deliberate selection process and assessed the assumed costs by comparing the estimated costs with the current costs. In addition, we obtained an expert opinion on the measures to be implemented and the expected costs, which we assessed as part of our audit.

In order to assess the provisions for disposal obligations, we first obtained an understanding of the process of systematically recording and updating the quantities of radioactive waste. We compared these inventories with the inventory of radioactive residues on a sample basis. We gained an understanding of the assumptions and expectations made by the legal representatives in their planning with regard to the disposal routes, the associated costs and the planned disposal dates. In doing so, we examined the planning assumptions for the years following the balance sheet date by scrutinizing and assessing the planning parameters in detail, in particular the planned cost trends and disposal dates.

Furthermore, we assessed the discount rates used by the client and verified the calculation of the present values of the provisions.

On the basis of our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the legal representatives with regard to the measurement of the provisions for restoration obligations and disposal obligations are justified and balanced.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the following non-audited components of the Group management report:

- the corporate governance statement pursuant to Section 289f and Section 315d HGB, to which reference is made in the Group management report,
- the separate non-financial report pursuant to Section 315b (3) HGB, to which reference is made in the Group management report
- the remuneration report pursuant to Section 162 AktG, to which reference is made in the Group management report, and
- the non-management report disclosures in section 5.1 of the Group management report relating to the EU taxonomy;

The other information also includes:

- the assurances pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB on the consolidated financial statements and Group management report
- the report of the Supervisory Board and
- the remaining parts of the annual report - excluding cross-references to external information - with the exception of the audited consolidated financial statements and group management report and our auditor's report.

The legal representatives and the Supervisory Board are jointly responsible for the remuneration report. The Supervisory Board is responsible for the report of the Supervisory Board. Furthermore, the legal representatives are responsible for the other information.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information:

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [and supplementary compliance with the ISAs] will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our [audit] opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING, OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

Assurance opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file 391200EUDABLUKXCKG48-2023-12-31-de (MD5-hash value: 87ab035fe55f4d69e6f5f0a4446712f2) and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering, of the consolidated financial statements and the group management report, contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410) (06.2022) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm has applied the quality management system requirements of the International Standard on Quality Management (ISQM 1).

Responsibilities of the executive directors and the supervisory board for the ESEF documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 (1) sent. 4 Nr. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sent. 4 Nr. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file (made available,) containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enables an XHTML rendering with content equivalent to the audited consolidated financial statements and of the audited group management report.
- evaluate whether the tagging of ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Other information according to Art. 10 EU-APrVO

We were elected as auditors for the consolidated financial statements by the general meeting on 7 June 2023. We were appointed by the supervisory board on 18 September 2023. We have served as auditors for the consolidated financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG since the 2023 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Art. 11 EU-APrVO (audit report [Prüfungsbericht]).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is David Reinhard.

Berlin, 19 March 2024

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Udo Heckeler
Wirtschaftsprüfer
[German Public Auditor]

David Reinhard
Wirtschaftsprüfer
[German Public Auditor]

SEPARATE FINANCIAL STATEMENTS OF ECKERT & ZIEGLER AG

INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

	2022 € thousand	2023 € thousand
1 Revenue	9,205	11,326
2 Other operating income	121	209
	9,326	11,535
3 Personnel expenses		
a) Wages and salaries	-5,143	-6,500
b) Social insurance contributions and expenses for pensions and other employee benefits	-583	-687
	-5,726	-7,187
4 Amortisation/depreciation of intangible non-current assets and property, plant and equipment	-378	-456
5 Unscheduled write-downs of goodwill	-4,697	-251
6 Other operating expenses	-5,585	-6,273
7 Income from profit transfer agreements	21,641	26,576
8 Income from participations	16,239	12,788
9 Losses from profit and loss transfer agreements	-6,116	-10,066
10 Income from the sale of shares in corporations	0	9,039
11 Other interest and similar income	49	8
12 Interest and similar expenses	-125	-383
13 Income taxes	-5,722	-4,725
14 Net income after taxes	18,906	30,605
15 Net profit for the year	18,906	30,605
16 Profit carried forward from the previous year	0	0
17 Unappropriated profit	18,906	30,605
Appropriation of unappropriated profit:		
18 Unappropriated profit	18,906	30,605
19 Dividend*	-10,406	-10,413
20 Allocation to retained earnings*	-8,500	-20,192
21 Profit carried forward to the following year	0	0

*subject to the approval of the shareholders

BALANCE SHEET AS AT 31 December 2023

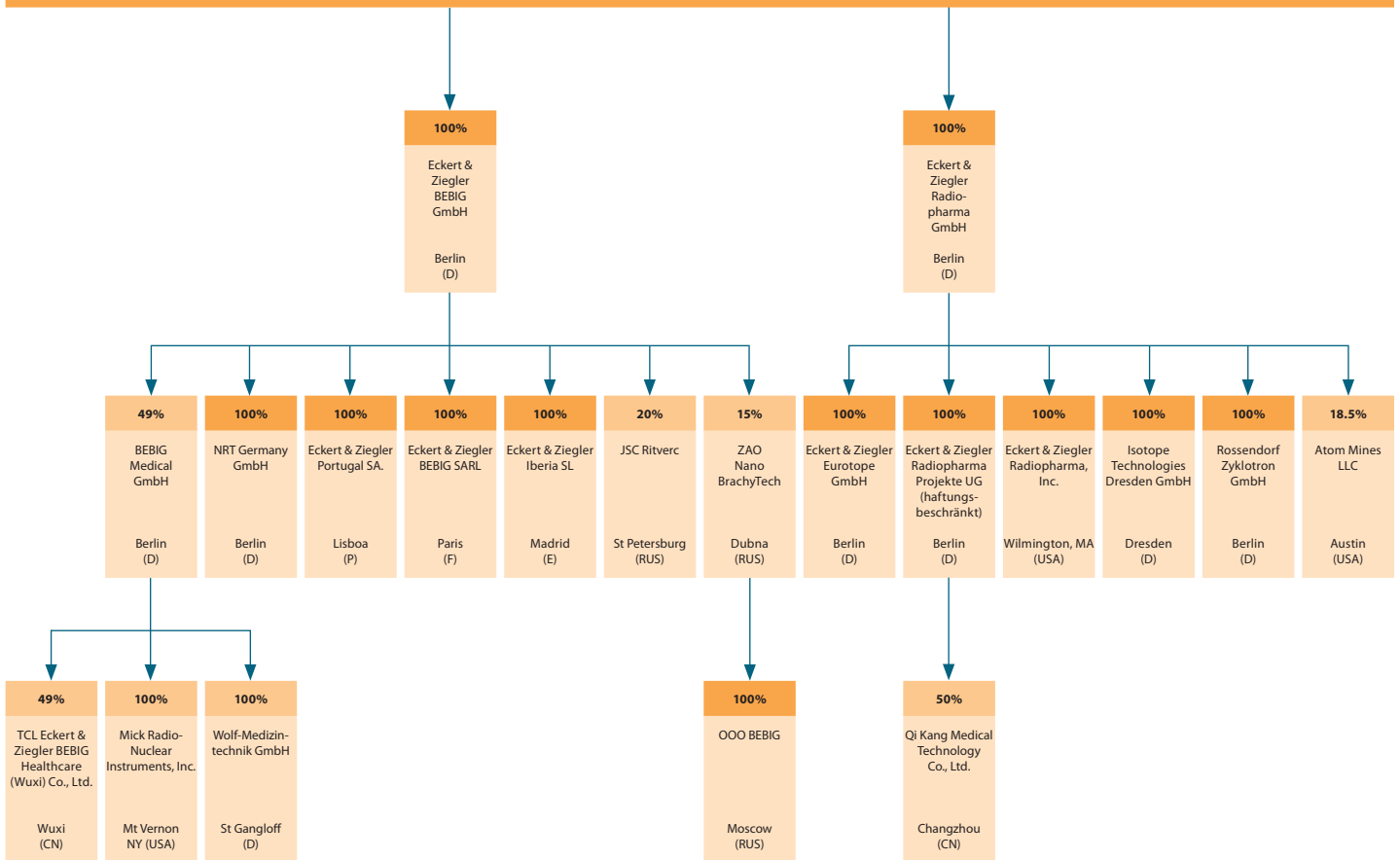
	31/12/2022	31/12/2023
Assets		
A. Non-current assets		
I. Intangible assets		
1. Licenses acquired against payment, industrial property rights and similar rights and assets, as well as licenses for such rights and assets	493	344
2. Advance payments made	83	83
	576	427
II. Property, plant and equipment		
1. Land, land-type rights and buildings	762	864
2. Other plant and equipment	499	483
3. Advance payments made	510	1,138
	1,771	2,485
III. Financial assets		
1. Interests in affiliated companies	121,665	148,211
2. Participations	276	25
	121,941	148,236
	124,288	151,148
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	1	4
2. Receivables from affiliated companies	21,645	26,642
3. Other assets	2,426	5,762
	24,072	32,408
II. Securities classified as current assets	0	0
III. Balances with financial institutions	3,273	1,402
	27,345	33,810
E. Prepaid expenses		
	102	260
	151,735	185,218
Liabilities		
A. Equity		
I. Subscribed capital	21,172	21,172
less treasury shares	-377	-346
Issued capital	20,795	20,826
II. Capital reserves	65,119	65,853
III. Retained earnings		
other retained earnings	31,643	40,413
IV. Unappropriated profit	18,906	30,605
	136,463	157,697
B. Special item for allocations to non-current assets		
	39	18
C. Provisions		
1. Provisions for pensions and similar obligations	266	255
2. Tax provisions	595	0
3. Other provisions	3,252	3,376
	4,113	3,631
D. Liabilities		
1. Trade payables	146	125
2. Liabilities to affiliated companies	10,712	23,616
3. Other liabilities	262	131
(thereof from taxes: € 82 thousand; previous year € 68 thousand)		
(thereof within the framework of social security: € 4 thousand; previous year € 5 thousand)		
	11,120	23,872
E. Deferred income		
	0	0
	151,735	185,218

CORPORATE STRUCTURE (AS OF DECEMBER 31, 2023)

OTHER SEGMENT



MEDICAL SEGMENT



Consolidated companies
Investment valued at-equity

* not yet operational as at 31 December 2023

Note: The organizational chart shows the simplified structure of the Eckert & Ziegler Group. The binding disclosures can be found in the notes to the consolidated financial statements in the 2023 Annual Report.

OTHER SEGMENT

HOLDING

Eckert & Ziegler
Strahlen- und
Medizintechnik AG,

Berlin
(D)

ISOTOPE PRODUCTS SEGMENT

100%

Eckert & Ziegler
Isotope Products
Holdings
GmbH

Berlin
(D)

99,99%

Eckert & Ziegler
Brasil
Participações Ltda.

São Paulo
(BRA)

100%

Eckert & Ziegler
Chemotrade GmbH

Dusseldorf
(D)

100%

Eckert & Ziegler
Isotope
Products, Inc.

Valencia CA
(USA)

100%

Eckert & Ziegler
Isotope
Products GmbH

Berlin
(D)

100%

Eckert & Ziegler
Umweltdienste
GmbH

Braunschweig
(D)

100%

Eckert & Ziegler
Isotope Products
SARL

Les Ulis
(F)

88,90%

Eckert & Ziegler
Cesio s.r.o.

Prague
(CZ)

100%

Gamma-Service
Recycling GmbH

Leipzig
(D)

100%

Gamma-Service
Medical GmbH

Leipzig
(D)

0,02%

0,01%

99,99%

0,01%

99,98%

Tecnonuclear S.A.

Buenos Aires
(ARG)

100%

Ambientis
Radioproteção

São Paulo
(BRA)

99,99%

Eckert & Ziegler
Brasil
Comercial Ltda.

São Paulo
(BRA)

100%

Eckert & Ziegler
Analytics, Inc.

Atlanta GA
(USA)

100%

Eckert & Ziegler
Environmental
Services Ltd.

Didcot
(UK)

100%

Eckert & Ziegler
Nuclitec GmbH

Braunschweig
(D)

100%

ISOTREND
spol s.r.o.

Prague
(CZ)

49%

Nuclear Control &
Consulting
GmbH

Leipzig
(D)

49%

51%

100%

Tecnonuclear
Uruguay SA*

(still operating
under the name
Tarflux SA)

100%

GBT Finanzen
GmbH

Dresden
(D)

FINANCIAL CALENDAR

March 22, 2024	Annual Financial Statement 2023
April 23, 2024	Metzler Small Cap Days, Frankfurt
May 14, 2024	Quarterly Report I/2024
May 15–17, 2024	Hauck & Aufhäuser Stockpicker Summit 2024, Kitzbühel, Austria
June 18, 2024	KeplerChevreux, SMID Conference, Paris
June 26, 2024	Annual General Meeting
August 09, 2024	Quarterly Report II/2024
September 24, 2024	Baader Investment Conference 2024, Munich
September 25, 2024	Berenberg/Goldman Sachs, German Corporate Conference, Munich
November 14, 2024	Quarterly Report III/2024
November 25–27, 2024	German Equity Forum, Frankfurt

subject to change

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Eckert & Ziegler SE

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buch
berlin
dedicated to health

KEY FIGURES

		Change from previous year	2020	2021	2022	2023
Revenue and net income						
Revenue	€ million	+11%	176.1	180.4	222.3	246.1
EBITDA	€ million	+2%	42.8	57.0	57.8	58.8
Depreciation/amortisation	€ million	+22%	10.7	9.6	10.9	13.4
EBIT	€ million	-3%	32.1	47.4	46.8	45.5
EBIT margin	%		19%	26%	21%	18%
Tax rate	%		31%	25%	32%	27%
Net profit for the year after taxes and minority interests	€ million	-10%	22.6	34.5	29.3	26.3
Earnings per share (undiluted)	€	-11%	1.03	1.67	1.41	1.26
Cash flow						
Cash flow from operating activities	€ million	+19%	34.9	33.9	38.0	45.2
Liquid assets as at 31 December	€ million	-18%	87.5	93.7	82.7	68.0
Balance sheet						
Equity	€ million	+5%	146.4	192.5	212.1	222.2
Total assets	€ million	+8%	289.4	347.7	407.5	439.4
Equity ratio	%		51%	55%	52%	51%
Net liquidity (liquidity minus loan liabilities)	€ million	-31%	88.6	87.9	60.3	41.6
Employees						
Number of employees on annual average	Individuals	+9%	798	840	946	1,035
Number of employees at the end of the year	Individuals	+10%	828	866	976	1,075
Key share figures						
Average number of shares in circulation	in millions	0%	20.6	20.7	20.8	20.8
Book value per share as at 31 December	€	+5%	7.1	9.3	10.2	10.7
Dividend*	€	-90%	0.45	0.50	0.50	0.05

* Dividend for 2023 to be proposed by the company to the Annual General Meeting

**Due to IFRS 5, POC contracts and IAS 29, change in presentation of previous year's figures

