



2023

1 January – 30 September



Eckert & Ziegler
Contributing to saving lives

KEY DATA

		1-9/2022	1-9/2022 Restated	1-9/2023	Change
Sales	€ million	164.0	165.8	183.9	+ 11%
Return on revenue before tax	%	22	21	16	- 22%
EBITDA	€ million	45.3	43.7	41.7	- 5%
EBIT	€ million	37.9	36.2	32.4	- 10%
EBT	€ million	36.7	35.0	30.2	- 14%
Net income before other shareholder's interests	€ million	23.7	22.1	20.6	- 7%
Profit	€ million	23.3	21.7	20.3	- 6%
Earnings per share (basic)	€	1.12	1.04	0.98	- 6%
Operational cash flow	€ million	15.4	15.4	24.6	+ 60%
Depreciation and amortization on non-current assets	€ million	7.5	7.5	9.2	+ 23%
Staff as end of period	Persons	945	945	1,062	+ 12%

MILESTONES



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.177Lu). The agreement has a term of ten years with a total sales volume of more than € 100 million.

AWARDED WITH TRAINING PRIZE

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



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.



A. GROUP INTERIM MANAGEMENT REPORT

A.1 EARNINGS PERFORMANCE

In the following text, the changes compared to the previous year always refer to the restated figures for 2022. In Appendix B.6, we refer to changes in the presentation and the restatement for the third quarter of 2022.

In the first three quarters of 2023, the Eckert & Ziegler Group achieved a net profit of € 20.3 million. Compared to the same period of the previous year, consolidated net profit thus decreased by € 1.4 million.

Revenue

Overall, the Group recorded sales growth of 11% and, at € 183.9 million at the end of September 2023, sales were € 18.1 million higher than the previous year's figure of € 165.8 million.

The following developments can be seen in the individual segments :

External sales in the Medical segment amounted to € 82.8 million in the first nine months of the year, up around € 17.6 million or 27% on the previous year's level. The main growth driver continues to be business with pharmaceutical radioisotopes, while sales of laboratory equipment and plant engineering also continued to grow. There were slight declines in the Radiation Therapy division, mainly due to the sale of Wolf-Medizintechnik GmbH and the HDR business.

At € 101.0 million, the Isotope Products segment generated slightly higher external sales of € 0.5 million than in the first nine months of 2022. This means that the segment's sales remain stable, although there are shifts between the product groups.

Earnings (net profit for the period)

At € 20.3 million or € 0.98 per share, the Group's nine-month earnings were € 1.4 million or 6% lower than in the previous year.

In the Medical segment, the net result amounted to € 12.2 million and was therefore € 0.8 million lower than in the same period of the previous year. Overall, the gross profit increased compared to the previous year due to the growth in sales, but a disproportionately high increase in the cost of sales had a negative impact on the segment's gross margin. The main reasons for the year-on-year decline in earnings are negative currency effects of € 3.0 million and the deconsolidation of Wolf-Medizintechnik GmbH (earnings contribution of € 1.2 million in 2022). Interest also increased by € 0.6 million.

In the Isotope Products segment, earnings (before minority interests) rose by around € 1.5 million or 14% to € 12.4 million (previous year: € 10.9 million). In the third quarter, strong sales and a favorable product mix led to a return to the expected profitability. Inflation adjustments in the hyperinflationary country of Argentina reduced earnings by € 1.1 million (previous year: € 2.0 million). Currency effects depressed earnings by € 0.3 million compared to the previous year. Interest rose by € 0.4 million compared to the previous year.

The Other segment, which comprises Pentixapharm AG (formerly Pentixapharm GmbH) and Myelo Therapeutics GmbH in addition to the holding company, closed the third quarter with a result (before minority interests) of € -4.1 million (previous year: € -1.9 million). Myelo Therapeutics GmbH was not yet included in the prior-year period.

A.2 FINANCIAL POSITION

Balance

Total assets at the end of September 2023 increased compared to the 2022 annual financial statements and now amount to € 443 million (previous year: € 417 million).

On the assets side, non-current assets increased by € 13.4 million. This is mainly due to investments in property, plant and equipment (€ 10.6 million) and the capitalization of development costs at Pentixapharm (€ 2.3 million). There were no company acquisitions or disposals in the first nine months of 2023.

Due to the order-related netting of open orders in the Plant Engineering division (Medical segment) valued "at percentage of completion" (POC) with the advance payments received, which was reported for the first time under "Contract assets" and "Contract liabilities", there was a slight reduction in the balance sheet compared to 2022. As at 31 December 2022, € 51.6 million was reported under inventories (of which € 14.7 million as POC receivables) and € 19.0 million in advance payments received without netting. As at 30 September 2023, € 41.8 million was recognized in inventories (excluding POC receivables), € 4.2 million as contract assets (IFRS15), € 6.9 million as contract liabilities (IFRS15) and € 3.7 million in advance payments received (independent of IFRS15).

Trade receivables increased by € 8.1 million in line with sales growth.

The changes on the liabilities side mainly relate to non-current and current loan liabilities, which increased by a total of € 15.8 million to € 38.2 million. As at September 30, 2023, € 22.5 million was reported as non-current loan liabilities and € 15.7 million as current loan liabilities.

Equity increased by € 11.3 million to € 224.9 million as at September 30, 2023. The increase was mainly due to the profit for the period of € 20.3 million, less the parent company's dividend distribution of € 10.4 million. The equity ratio is 50.7%.

Other current liabilities increased by € 1.5 million compared to the 2022 annual financial statements. Two significant effects are to be mentioned here: Myelo Therapeutics GmbH received an advance payment on a grant from the European Defense Fund (EDF) in the amount of € 5.7 million, which was recognized as liquidity on the assets side. This liability will be utilized in future periods to neutralize the development costs associated with the EDF grant. As at September 30, 2023, € 5.6 million had not yet been used. In contrast, liabilities to former shareholders were reduced. In January 2023, € 3.2 million was paid out to the former shareholder of Tecnonuclear SA, Argentina, acquired in January 2022.

Liquidity

At € 24.6 million, the operating cash flow was significantly higher than in the same period of the previous year (€ 15.4 million) despite the reduction in consolidated net income, with € 5.7 million resulting from the advance payment of the EDF subsidy.

With € 19.7 million, more cash and cash equivalents were used for investments in intangible assets and property, plant and equipment than in the same period of the previous year (€ 18.4 million). In addition, a final payment of € 3.2 million was made in January 2023 for the acquisition of Tecnonuclear SA, Argentina. There were no company acquisitions or disposals in the reporting period. In the previous year, there were expenses in connection with the acquisition of Tecnonuclear SA, Argentina and Atom Mines LLC, USA totaling € 7.5 million as well as offsetting one-off income from the sale of securities and investments totaling € 2.1 million. As at September 30, 2023, only € 0.5 million was income from investments.

Cash flow from financing activities includes € 17.4 million in new proceeds from loans. Of this amount, € 7.4 million is attributable to annuity loans taken out to finance the construction of a production facility at the Dresden-Rossendorf site (Isotope Products segment) and other projects in the Medical segment. A further € 10.0 million was drawn down from a credit line in the third quarter and reported under the balance sheet item "Current loan liabilities" as at September 30, 2023. This € 10.0 million was repaid in full in mid-October 2023.

Including the interest payments incurred, cash and cash equivalents of € 3.0 million (previous year: € 11.4 million) were used to repay loan and lease liabilities.

Overall, cash and cash equivalents as at September 30, 2023 increased by € 5.7 million compared to the end of 2022 to € 88.4 million.

A.3 OUTLOOK

The forecast for the 2023 financial year published on March 30, 2023 remains unchanged. The Executive Board continues to expect sales of just under € 230 million and net profit for the year of around € 25 million.

Split-off of Clinical Assets

Subsequent to the quarterly reporting date, on October 20, 2023, the Executive Board of Eckert & Ziegler AG, with the approval of the Supervisory Board, decided on the strategy and investment priorities for the coming years. The Supervisory Board gave its approval to the Executive Board to examine and prepare a split-off of up to 100% of the shares in Pentixapharm AG.

In view of the enormous growth forecast for active pharmaceutical ingredients, which is already reflected in the order intake, Eckert & Ziegler intends to bundle its financial resources to expand its global manufacturing capacities. Eckert & Ziegler is therefore concentrating on its core competencies in order to further expand its position as a leading supplier of radioisotopes for the production of radiopharmaceuticals.

As a result, Eckert & Ziegler will withdraw from further financing of the drug developer Pentixapharm next year and will either float the wholly owned subsidiary, which now also includes Myelo Therapeutics GmbH, on the stock market in 2024 via a split-off or sell it as a whole. The decision on the final procedure is expected to be made at the balance sheet meeting of the Supervisory Board of Eckert & Ziegler AG in March 2024. Until then, the Executive Board will have discussions with interested parties as well as prepare the split-off by mandating appropriate service providers and taking other measures.

In accordance with the regulations of IFRS 5, the Executive Board will report Pentixapharm as a discontinued operation in the annual financial statements 2023.

A.4 RISIKS AND OPPORTUNITIES

In the 2022 Annual Report, we described risks that could have a significant negative impact on our business, net assets, financial position and results of operations as well as our reputation. The most significant opportunities and the structure of our risk management system were also presented.

Additional risks and opportunities that we are not aware of or that we currently consider to be immaterial could also impair our business activities. At present, no risks have been identified that could jeopardize our continued existence, either individually or in combination with other risks.

A.5 ADDITIONAL INFORMATION

Employees

As of September 30, 2023, the Eckert & Ziegler Group employed 1,062 people worldwide. Compared to the previous year (December 31, 2022: 976), the number of employees has thus increased by 9%.

B. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

B.1 CONSOLIDATED INCOME STATEMENT OF PROFIT OR LOSS

€ thousand	9-month report 1–9/2022	Restated 9-month report 1–9/2022	9-month report 1–9/2023
Revenues	164,025	165,757	183,883
Cost of sales	–79,588	–80,973	–94,056
Gross profit on sales	84,437	84,784	89,827
Selling expenses	–20,164	–20,164	–19,177
General and administrative expenses	–26,327	–26,327	–30,233
Impairment/reversals in accordance with IFRS 9	–62	–62	–86
Other operating income	1,283	1,339	2,490
Other operating expenses	–4,160	–4,160	–9,215
Profit from operations	35,007	35,410	33,606
Results from shares measured at equity	–1,037	–1,037	–8
Results from the valuation of financial instruments	415	415	–108
Currency gains	5,402	5,402	1,408
Currency losses	–1,905	–1,905	–1,306
Loss according to IAS 29 (hyperinflation)		–2,049	–1,147
Earnings before interest and taxes (EBIT)	37,882	36,236	32,445
Interest received	84	84	615
Interest paid	–1,286	–1,286	–2,822
Profit before tax	36,680	35,034	30,237
Income tax expense	–12,939	–12,939	–9,640
Net income/loss from continuing operations	23,741	22,095	20,597
Profit (–)/loss (+) attributable to minority interests	–422	–422	–305
Profit attributable to the shareholders of Eckert & Ziegler AG	23,319	21,673	20,292
Earnings per share			
Undiluted (€ per share)	1.12	1.04	0.98
Diluted (€ per share)	1.12	1.04	0.97
Average number of shares in circulation (undiluted – in thousand units)	20,765	20,765	20,809
Average number of shares in circulation (diluted – in thousand units)	20,816	20,816	20,855

€ thousand	Q3 report 7–9/2022	Restated Q3 report 7–9/2022	Q3 report 7–9/2023
Revenues	57,188	58,354	65,911
Cost of sales	–28,080	–29,008	–33,431
Gross profit on sales	29,108	29,346	32,480
Selling expenses	–7,342	–7,342	–6,403
General and administrative expenses	–8,740	–8,740	–10,843
Impairment/reversals in accordance with IFRS 9	–23	–23	–16
Other operating income	531	565	1,152
Other operating expenses	–1,274	–1,274	–3,357
Profit from operations	12,260	12,532	13,012
Results from shares measured at equity	–931	–931	–319
Results from the valuation of financial instruments	415	415	–83
Currency gains	2,598	2,598	574
Currency losses	–855	–855	–218
Loss according to IAS 29 (hyperinflation)	0	–962	–13
Earnings before interest and taxes (EBIT)	13,487	12,797	12,954
Interest received	31	31	288
Interest paid	–716	–716	–945
Profit before tax	12,802	12,112	12,297
Income tax expense	–4,771	–4,771	–2,746
Net income/loss from continuing operations	8,031	7,341	9,550
Profit (-)/loss (+) attributable to minority interests	–119	–119	–170
Profit attributable to the shareholders of Eckert & Ziegler AG	7,912	7,222	9,380
Earnings per share			
Undiluted (€ per share)	0.38	0.35	0.45
Diluted (€ per share)	0.38	0.35	0.45
Average number of shares in circulation (undiluted – in thousand units)	20,763	20,763	20,809
Average number of shares in circulation (diluted – in thousand units)	20,815	20,815	20,855

B.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousand	9-month report 1–9/2022	Restated 9-month report 1–9/2022	9-month report 1–9/2023
Profit for the period	23,741	22,095	20,597
of which attributable to shareholders of Eckert & Ziegler AG	23,319	21,673	20,292
of which attributable to other shareholders	422	422	305
Items that could subsequently be reclassified into the income statement if certain conditions are met			
Adjustment of balancing item from the currency translation of foreign subsidiaries	2,894	2,894	1,043
Currency differences from the translation of foreign operations	2,894	2,894	1,043
Items that will not be reclassified to the profit or loss statement in the future			
Earnings from equity instruments designated at fair value through other comprehensive income	–387	–387	0
Net earnings from equity instruments designated at fair value through other comprehensive income	–387	–387	0
Other comprehensive income after taxes	2,507	2,507	1,043
Consolidated comprehensive income	26,248	24,602	21,640
of which attributable to shareholders of Eckert & Ziegler AG	25,809	24,163	21,342
of which attributable to non-controlling interests	439	439	298
€ thousand	Q3-report 7–9/2022	Q3-report 7–9/2022	Q3-report 7–9/2023
Profit for the period	8,031	7,341	9,550
of which attributable to shareholders of Eckert & Ziegler AG	7,912	7,222	9,380
of which attributable to other shareholders	119	119	170
Items that could subsequently be reclassified into the income statement if certain conditions are met			
Adjustment of balancing item from the currency translation of foreign subsidiaries	–320	–320	1,386
Currency differences from the translation of foreign operations	–320	–320	1,386
Items that will not be reclassified to the profit or loss statement in the future			
Earnings from equity instruments designated at fair value through other comprehensive income	0	0	0
Net earnings from equity instruments designated at fair value through other comprehensive income	0	0	0
Other comprehensive income after taxes	–320	–320	1,386
Consolidated comprehensive income	7,711	7,021	10,936
of which attributable to shareholders of Eckert & Ziegler AG	7,581	6,891	10,802
of which attributable to non-controlling interests	130	130	134

B.3 CONSOLIDATED BALANCE SHEET

€ thousand	Dec 31, 2022	Sep 30, 2023
ASSETS		
Non current assets		
Goodwill	43,141	43,367
Other intangible assets	53,865	57,828
Property, plant and equipment	85,130	95,742
Rights of use (IFRS 16)	26,495	24,409
Investments in affiliates or joint ventures	13,972	13,434
Deferred tax assets	8,563	9,906
Other non-current assets	1,934	1,855
Total non-current assets	233,100	246,541
Current assets		
Cash and cash equivalents	82,701	88,395
Trade accounts receivable	37,171	45,260
Contract assets*	0	4,197
Inventories	51,614	41,808
Income tax receivables	5,909	11,445
Other current assets	6,342	5,827
Total current assets	183,737	196,932
Total assets	416,837	443,473
EQUITY AND LIABILITIES		
Shareholder's equity		
Subscribed capital	21,172	21,172
Capital reserves	66,607	66,844
Retained earnings	123,177	133,063
Other reserves	4,681	5,731
Own shares	-3,570	-3,404
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	212,067	223,406
Minority interests	1,562	1,528
Total shareholders' equity	213,629	224,934
Non-current liabilities		
Long-term debt	22,400	22,512
Long-term lease obligations (IFRS 16)	24,497	22,616
Deferred income from grants and other deferred income	2,250	1,686
Deferred tax liabilities	5,082	5,243
Retirement benefit obligations	10,271	10,319
Other non-current provisions	61,989	66,803
Other non-current liabilities	10,685	9,239
Total non-current liabilities	137,174	138,420
Current liabilities		
Short-term debt	0	15,700
Current portion of lease obligations (IFRS 16)	2,690	2,722
Trade accounts payable	8,340	4,846
Advance payments received*	19,026	3,737
Deferred income from grants and other deferred income (current)	37	272
Income tax liabilities	3,872	11,097
Other current provisions	4,571	5,863
Other current liabilities	27,498	29,005
Contract liabilities*	0	6,877
Total current liabilities	66,034	80,119
Total equity and liabilities	416,837	443,473

(*) we refer to change in recognition

B.4 CONSOLIDATED CASH-FLOW STATEMENT

€ thousand	9-month report 1/1/2022 – 9/30/2022	Restated 9-month report 1/1/2022 – 9/30/2022	9-month report 1/1/2023 – 9/30/2023
Cash flows from operating activities:			
Profit for the period	23,741	22,095	20,597
Adjustments for:			
Depreciation and value impairments	7,464	7,464	9,248
Net interest income [interest expense (+)/income (-)]	1,202	1,202	2,208
Income tax expense	12,939	12,939	9,640
Income tax payments	-13,397	-13,397	-9,106
Non-cash income from the reversal of deferred grants	-40	-40	-221
Gains (-)/losses on the disposal of non-current assets	58	58	-39
Change in non-current provisions, other non-current liabilities	2,234	2,234	1,417
Change in other non-current assets and receivables	-544	-544	78
Other non-cash items	-706	940	1,830
Changes in current assets and liabilities:			
Receivables	-6,366	-6,366	-9,054
Inventories	-8,436	-8,436	9,509
Change in other current assets	550	550	-3,801
Change in current liabilities and provisions	-3,267	-3,267	-7,677
Cash inflows generated from operating activities	15,432	15,432	24,629
Cash flows from investing activities:			
Outflows for intangible assets and property, plant and equipment	-18,352	-18,352	-19,673
Income from the sale of intangible assets and property, plant and equipment	16	16	88
Income from the sale of shares in consolidated companies (less cash and cash equivalents transferred)	794	794	0
Expenses for acquisitions (less cash and cash equivalents transferred)	-6,691	-6,691	-3,185
Expenses for the acquisition of shareholdings	-787	-787	0
Income from investments	892	892	529
Income from the sale of securities	1,178	1,178	0
Cash inflows/outflows from investing activities	-22,950	-22,950	-22,241
Cash flows from financing activities:			
Dividends paid	-10,382	-10,382	-10,406
Dividend paid to minority shareholders	-359	-359	-332
Payments from taking out loans	24,183	24,183	17,412
Cash outflows for repayment of loans and lease liabilities	-11,443	-11,443	-2,957
Interest received	84	84	615
Interest paid	-1,120	-1,120	-853
Cash outflows from financing activities	-7,037	-7,037	3,479
Effect of exchange rates on cash and cash equivalents	3,627	3,627	-173
Increase/reduction in cash and cash equivalents	-10,928	-10,928	5,694
Cash and cash equivalents at beginning of period	93,659	93,659	82,701
Cash and cash equivalents at end of period	82,731	82,731	88,395

B.5 CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY

amounts in € thousand except number of shares	Subscribed capital			Cumulative other equity items				Own shares	Equity attributable to shareholders' equity	Minority shares	Group shareholders' equity
	Number	Nominal value	Capital reserve	Retained reserves	Unrealized profit pension commit- ments	Unrealized profit securities	Foreign currency exchange differences				
Balance as of January 1, 2022	21,171,932	21,172	66,162	106,223	-3,597	387	987	-3,942	187,392	5,134	192,526
Total of expenditures and income directly entered in equity	0	0	0	0	1,888	-387	5,403	0	6,904	45	6,949
Net profit for the year	0	0	0	29,278	0	0	0	0	29,278	469	29,747
Total income for the period	0	0	0	29,278	1,888	-387	5,403	0	36,182	514	36,696
Dividends paid/resolved	0	0	0	-10,382	0	0	0	0	-10,382	-359	-10,741
Minority interest in acquisitions	0	0	0	-1,942	0	0	0	0	-1,942	-3,727	-5,669
Share-based payment	0	0	-651	0	0	0	0	87	-564	0	-564
Use of treasury shares for acquisition	0	0	1,096	0	0	0	0	285	1,381	0	1,381
As of December 31, 2022	21,171,932	21,172	66,607	123,177	-1,709	0	6,390	-3,570	212,067	1,562	213,629
Balance as of January 1, 2023	21,171,932	21,172	66,607	123,177	-1,709	0	6,390	-3,570	212,067	1,562	213,629
Total income and expenses directly recognized in equity	0	0	0	0	0	0	1,050	0	1,050	-7	1,043
Consolidated net income	0	0	0	20,292	0	0	0	0	20,292	305	20,597
Consolidated comprehensive income	0	0	0	20,292	0	0	1,050	0	21,342	298	21,640
Dividend payment or resolution	0	0	0	-10,406	0	0	0	0	-10,406	-332	-10,738
Stock-based compensation	0	0	237	0	0	0	0	166	403	0	403
As of September 30, 2023	21,171,932	21,172	66,844	133,063	-1,709	0	7,440	-3,404	223,406	1,528	224,934

B.6 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

General information

These interim consolidated financial statements as at September 30, 2023 comprise the financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (hereinafter also referred to as "Eckert & Ziegler AG").

Accounting policies

The interim consolidated financial statements of Eckert & Ziegler AG as of September 30, 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting. All standards of the International Accounting Standards Board (IASB), London, and the valid interpretations of the International Financial Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) applicable in the EU on the reporting date were taken into account. The interim financial statements should be read in conjunction with the consolidated financial statements of Eckert & Ziegler AG as of December 31, 2022. The accounting policies explained in the notes to the consolidated financial statements for 2022 were applied unchanged.

In order to prepare the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that have an impact on the amount and disclosure of the assets and liabilities, income and expenses recognized. The actual values may differ from the estimates. Significant assumptions and estimates are made for the useful life, the recoverable amount of non-current assets, the recoverability of receivables and the recognition and measurement of provisions. Due to rounding, it is possible that individual figures may not add up exactly to the totals provided.

This interim report contains all necessary information and adjustments that are required for a true and fair view of the net assets, financial position and results of operations of Eckert & Ziegler AG at the interim reporting date. The interim results for the current financial year do not necessarily allow conclusions to be drawn about the development of future results.

In the current reporting period, a number of amendments to standards came into force, but these had no impact on the Group's accounting methods or the need for retrospective adjustments.

Scope of consolidated financial statements

The consolidated financial statements of Eckert & Ziegler AG include all companies in which Eckert & Ziegler AG has the direct or indirect possibility of determining the financial and business policy (control concept).

Acquisitions and disposals of companies

There were no company acquisitions or disposals in the first nine months of 2023.

The purchase price allocation in connection with the acquisition of Myelo Therapeutics GmbH remains provisional and will be finalized at the end of the year.

Legal changes within the Group

During the third quarter of 2023, Pentixapharm GmbH, Würzburg, was converted into a stock corporation. Myelo Therapeutics GmbH, Berlin meanwhile belongs to Pentixapharm AG. All clinical assets of the Eckert & Ziegler Group were thus bundled under the umbrella of Pentixapharm AG.

Change in recognition

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

For the projects in the plant engineering division, which is allocated to the Medical segment, there are generally contracts with customers that regulate the provision of the service over a certain period of time. An analysis of these contracts has shown that, in accordance with IFRS 15, revenue is recognized according to the stage of completion of the performance obligation using the percentage of completion (POC) method. The offsetting item is receivables from POC income. This is offset by advance payments made by customers. As of September 30, 2023, POC receivables were netted with prepayments received on an order-related basis for the first time. If the POC receivables are higher than the prepayments received, the balance is reported under "Contract assets" (€ 4,197 thousand at the end of the quarter). Conversely, if the advance payments received are higher than the POC receivable, the balance is reported under "Contract liabilities" (€ 6,877 thousand at the end of the quarter). Until 2022, the POC receivables (€ 14,719 thousand as of December 31, 2022) were still reported under the "Inventories" item and the advance payments (€ 12,944 thousand as of December 31, 2022) were reported without netting under the "Advance payments received" item.

Recognition in the income statement of loss in accordance with IAS29 (hyperinflation)

Due to high inflation in Argentina, the EZAG Group applies IAS 29. The interim financial statements of Tecnonuclear SA, Argentina, whose functional currency is the Argentine peso, are adjusted to the current purchasing power at the end of the reporting period. Transactions in the first nine 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. The monetary loss of € 1,147 thousand is reported as a separate item below the operating result in the financial result in the income statement. In the 2022 annual financial statements, this item was still reported under "Other operating expenses".

Restatement of the loss according to IAS29 (hyperinflation) in the previous year

For technical and time reasons, the loss in accordance with IAS 29 (hyperinflation) was not recognized in the third quarter of 2022 but only (retroactively) at the end of the year. In order to ensure the comparability of the figures, they were adjusted in the third quarterly financial statements for 2022 as if they had already been recognized as an expense in the financial result as at 30 September 2022.

Revenue recognition

Sales in the first nine months break down as follows:

€ thousand	9/30/2023	9/30/2022
Revenue from the sale of goods	154,021	137,762
Revenue from the provision of services	21,224	24,649
Revenue from construction contracts	8,638	3,346
Total	183,883	165,757

Currency translation

The financial statements of companies outside the European Monetary Union are translated in accordance with the functional currency concept. The following exchange rates were used for currency translation:

Country	Currency	Exchange rate on 9/30/2023	Exchange rate on 12/31/2022	Average exchange rate 1/1–9/30/2023	Average exchange rate 1/1–9/30/2022
USA	USD	1.0594	1.0666	1.0684	1.0638
CZ	CZK	24.3390	24.1160	24.3804	24.6240
GB	GBP	0.8646	0.8869	0.8616	0.8471
CHN	CNY	7.7352	7.3582	7.7967	7.0178
BR	BRL	5.3065	5.6386	5.2770	5.4665
ARG	ARS	369.7222	189.6852		127.4446
CH	CHF	0.9669	0.9847	0.9600	1.0116

Equity and treasury stock

As of September 30, 2023, Eckert & Ziegler AG held 359,506 treasury shares. This corresponded to 1.70% of the company's share capital.

Segmentinformationen

SEGMENT REPORT – INCOME STATEMENT

€ thousand	Isotope Products		Medical		Holding		Elimination		Total	
	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022
Sales to external customers	101,038	100,539	82,827	65,194	18	24	0	0	183,883	165,757
Sales to other segments	6,172	3,922	72	308	0	0	-6,244	-4,230	0	0
Total segment sales	107,210	104,461	82,898	65,502	18	24	-6,244	-4,230	183,883	165,757
Result from investments valued at equity	-72	-744	-223	-293	288	0	0	0	-8	-1,037
Segment profit before interest and profit taxes (EBIT)	18,806	17,078	18,422	21,489	-4,784	-2,331	0	0	32,445	36,236
Interest expenses and revenues	-1,078	-706	-907	-355	-223	-141		0	-2,208	-1,202
Income tax expense	-5,293	-5,419	-5,292	-8,139	946	619	0	0	-9,640	-12,939
Profit before minority interests	12,434	10,953	12,223	12,995	-4,061	-1,853	0	0	20,597	22,095

(*) 1-9/2022R = 1-9/2022 restated nach IAS 29 Anpassung wegen Hyperinflation in Argentinien

SEGMENT REPORT – BALANCE SHEET

€ thousand	Isotope Products		Medical		Holding		Total	
	1-9/2023	12/2022	1-9/2023	12/2022	1-9/2023	12/2022	1-9/2023	12/2022
Segmental assets	212,146	209,762	154,267	151,109	198,969	185,782	565,382	546,653
Elimination of inter-segmental shares, equity investments and receivables							-121,909	-129,816
Consolidated total assets							443,473	416,837
Segmental liabilities	-114,576	-113,738	-75,621	-96,192	-40,684	-25,932	-230,881	-235,862
Elimination of intersegmental liabilities							12,342	32,654
Consolidated liabilities							-218,538	-203,208
Investments in associated companies	1,522	1,660	11,912	12,312	0	0	13,434	13,972

€ thousand	Isotope Products		Medical		Holding		Total	
	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022
Investments (without acquisitions)	6,708	10,532	9,778	4,615	3,187	3,205	19,673	18,352
Depreciation and amortization incl. RoU according to IFRS 16	-4,565	-4,184	-3,607	-2,356	-1,076	-924	-9,248	-7,464
Impairments	-63	-54	-23	-9	0	0	-86	-63

Significant transactions with related parties

In accordance with IAS 24, transactions with persons or companies that control Eckert & Ziegler AG or are controlled by it must be disclosed. Transactions between the company and its subsidiaries, which are related parties, were eliminated in the course of consolidation and are therefore not explained. Details of transactions between the Group and other related parties are provided below. Transactions of Eckert & Ziegler AG with related parties are conducted on arm's length terms.

Other significant related parties for the current financial year are as follows:

- Eckert Wagniskapital und Frühphasenfinanzierung GmbH (EWK), which holds 31.1% of the shares in Eckert & Ziegler AG, and its main shareholder, Dr. Andreas Eckert, who was Chairman of the Executive Board until June 7, 2023 and has been Chairman of the Supervisory Board of Eckert & Ziegler AG since June 7, 2023.
- Eckert Beteiligungen 2 GmbH (EB2), which is a wholly owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.

In the current financial year, the following significant transactions were carried out with related parties, whereby these transactions were conducted at arm's length:

EB2 leases a production and administration building in Berlin-Buch to Eckert & Ziegler AG. During the first nine months, Eckert & Ziegler AG paid an amount of € 640 thousand (previous year: € 579 thousand) for the rent. As of September 30, 2023, lease liabilities to EB2 in the amount of € 5,502 thousand are reported in the balance sheet due to the application of lease accounting in accordance with IFRS 16.

Eckert & Ziegler AG has concluded a consultancy agreement with EWK. The company wants the consultant to make his specific knowledge and special experience available to it, particularly in the person of Dr. Eckert, and to provide it with consulting services that go beyond Dr. Eckert's activities as a member of the Supervisory Board. The consultancy agreement has been in place since July 1, 2023. Eckert & Ziegler AG has spent € 5 thousand (previous year: € 0 thousand) for the last three months.

Disclosures on financial instruments

As of September 30, 2023, the financial assets measured at fair value essentially comprise the following values:

contingent receivables from the sale of shares in OctreoPharm Sciences GmbH in the amount of € 240 thousand (unchanged as at December 31, 2022). The fair value of these receivables is determined on the basis of the estimated probability of occurrence for individual milestones from the development project.

derivative financial assets from an interest rate cap in the amount of € 604 thousand. The Group has hedged a € 20.0 million loan over 5 years with variable interest rates based on the 3-month Euribor using an interest rate cap. This interest cap, like the loan, has a nominal amount of € 20.0 million, a term of 5 years and a similar repayment structure. The strike rate is a 3-month Euribor of 1.5%.

The financial liabilities measured at fair value (FVTPL) according to level 3 essentially comprise the following values as of September 30, 2023:

Liabilities from contingent purchase price payments from company acquisitions within the meaning of IFRS 3 in the amount of € 7,448 thousand (€ 11,584 thousand as at December 31, 2022). 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. The reduction was recognized directly in equity.

The fair value of cash and cash equivalents, current receivables, trade payables and other current trade payables and other receivables corresponds approximately to the carrying amount. The main reason for this is the short maturity of such instruments.

Events after the balance sheet date

There were no events after the balance sheet date that had a material impact on the Group's net assets, financial position or results of operations.

With regard to the announcement subsequent to the quarterly reporting date concerning the spin-off of the clinical assets, please refer to the comments in section A.3 of the interim report.

C. ADDITIONAL INFORMATION

C.1 RESPONSIBILITY STATEMENT BY THE STATUTORY REPRESENTATIVES (BALANCE-SHEET OATH)

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

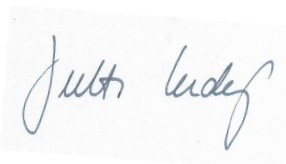
Berlin, November 14, 2023



Dr. Harald Hasselmann
Chairman of the
Executive Board



Dr. Hakim Bouterfa
Member of the
Executive Board



Jutta Ludwig
Member of the
Executive Board



Frank Yeager
Member of the
Executive Board

FINANCIAL CALENDAR

November 14, 2023	Quarterly Report III/2023
November 15–16, 2023	Berenberg Pan-European Discovery Conference USA (virtual)
November 27–29, 2023	German Equity Forum, Frankfurt
January 15, 2024	Kepler Cheuvreux Conference, Frankfurt
February 7–8, 2024	Hamburger Investorentage (HIT)
March 22, 2024	Annual Financial Statement 2023
May 14, 2024	Quarterly Report I/2024
May 15–17, 2024	Hauck & Aufhäuser Stockpicker Summit 2024, Kitzbühel, Austria
May 28, 2024	Annual General Meeting
August 9, 2024	Quarterly Report II/2024
September 24, 2024	Baader Investment Conference 2024, Munich
November 14, 2024	Quarterly Report III/2024
November 25–27, 2024	German Equity Forum, Frankfurt

Subject to changes

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