



QUARTERLY REPORT III

1 January to 30 September 2022



Eckert & Ziegler
Contributing to saving lives

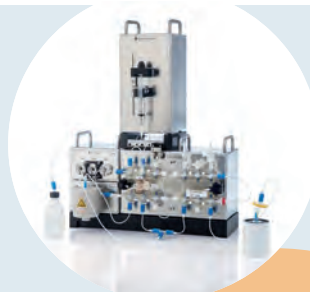
KEY DATA

		1–9/2021*	1–9/2022	Change
Sales	€ million	131.0	164.0	+25%
Return on revenue before tax	%	30	22	–27%
EBITDA	€ million	47.5	45.3	–5%
EBIT	€ million	40.3	37.9	–6%
EBT	€ million	39.6	36.7	–7%
Net income before other shareholder’s interests	€ million	29.3	23.7	–19%
Profit	€ million	29.3	23.3	–20%
Earnings per share (basic)	€	1.41	1.12	–20%
Operational cash flow	€ million	20.4	15.4	–25%
Depreciation and amortization on non-current assets	€ million	7.2	7.5	+4%
Staff as end of period	Persons	841	945	+12%

*adjusted due to restatement; see Notes to the interim consolidated financial statements

The official version of the Eckert & Ziegler quarterly report III 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 quarterly report III in English, the technical nature of an quarterly report often yields awkward phrases and sentences. We understand this can cause confusion. So, please always refer to the German quarterly report III for the authoritative version.

MILESTONES Q3 2022



CONTRACT MANUFACTURER FOR CLINICAL DEVELOPMENT CANDIDATES BASED ON LUTETIUM-177 AND ACTINIUM-225

A joint development and subsequent production of innovative radiopharmaceutical products based on Lu-177 and Ac-225 is planned with the US pharmaceutical company Ratio Therapeutics Inc. The project includes the development of a validated manufacturing process and the GMP-compliant production of investigational medicinal products. Ratio Therapeutics will use the newly constructed GMP suites at the Eckert & Ziegler production site in Boston, MA (USA) from July 2022 for this purpose.

COLLABORATION WITH PRECIRIX FOR THE DEVELOPMENT OF 68GA-BASED COMPOUNDS

Eckert & Ziegler and Precirix have signed a collaboration agreement for the development of a highly reliable and efficient automated production process for Precirix' 68Ga based diagnostic tools. Using Eckert & Ziegler's synthesis equipment and quality control platforms, the designed process shall enable the use of Precirix' compounds for patient selection in international clinical studies.



AWARD VENDOR OF THE YEAR 2022

United Pharmacy Partners, Inc. honors Eckert & Ziegler with the "Vendor of the Year Award 2022" during the UPPI Annual Meeting in Charlotte (NC), USA.



ALPORA®

ALPORA TOP INNOVATOR 2020

Eckert & Ziegler is awarded Top Innovator 2020 by the Swiss investment analytics company ALPORA. More than 1,500 companies have been analyzed based on publicly available key figures to identify the top innovators in Europe, the USA and worldwide.



AGREEMENT WITH PRECIRIX ON PRIORITY SUPPLY OF THE THERAPEUTIC RADIOISOTOPE RADIOISOTOPE AC-225

Precirix will have priority access to Eckert & Ziegler's high-purity, carrier-free Actinium-225, which is used for labeling investigational drugs in radionuclide therapy.

GROUND BREAKING IN CHINA

The groundbreaking ceremony for a new production facility was held at the Jintan site in Jiangsu Province. Production facilities for radiopharmaceuticals and radioisotopes as well as Eckert & Ziegler's administrative headquarters for the Chinese market are being built on an area of 7,000m².



FURTHER FUNDING FOR CLINICAL DEVELOPMENT

The affiliate Myelo Therapeutics GmbH receives further funding from the U.S. National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health. The funds will be used for the development of the new chemical entity Myelo001 to mitigate the acute radiation syndrome.



A. GROUP INTERIM MANAGEMENT REPORT

A.1 EARNINGS PERFORMANCE

In the third quarter of 2022, the Eckert & Ziegler Group reached its target with a net profit of € 23.3 million. Compared to the same period of the previous year, the Group's net profit thus fell by € 5.8 million. The decrease resulted from the sale and associated deconsolidation of the tumor irradiation device division, which generated non-recurring income of approximately € 9.4 million as of September 2021. Adjusted for this non-recurring effect, net income attributable to shareholders increased by around 18% year-on-year from € 19.7 million to € 23.3 million. In addition to favorable exchange rates, increased sales with industrial products and radiopharmaceuticals contributed to this rise in earnings.

Revenue

In the overall view, consolidated sales at the end of September 2022 amounted to € 164.0 million, up € 33.0 million or 25% on the previous year's level of € 131.0 million.

The breakdown by segment shows a slightly different development:

At € 65.5 million, sales in the Medical segment in the first nine months of the year were around 6% above the previous year's level (€ 61.6 million). The main growth driver continues to be the business with pharmaceutical radioisotopes; the sales of laboratory equipment and plant construction also increased significantly.

At € 102.7 million, the Isotope Products segment achieved a revenue increase of € 29.6 million (40%) compared to the first nine months of 2021. All main product groups contributed to this good development. The development of oil and gas prices is boosting the exploration activities of energy companies and consequently the demand for measuring components. Around € 7.9 million of the increase is attributable to the acquisition of the Argentine company Tecnonuclear SA, while € 7.0 million was due to a favorable US dollar exchange rate +12% on average between the first three quarters of 2021 and 2022).

Earnings (net profit for the period)

At € 23.3 million, the Group's nine-month earnings were € 1.12 per share, down € 5.8 million or 20% from the previous year.

The group benefited, among other things, from positive currency effects, especially from the US dollar, which contributed € 3.6 million (only in the third quarter with € 1.8 million) to the growth in earnings.

In the Medical segment, net income of € 13.0 million was thus € 8.7 million lower than in the nine months of the previous year. Adjusted for the effect of the sale of the tumor irradiation device business (€ 9.4 million) and the expenses (around € 2.5 million) in connection with the start-up of the production site in Boston, USA, and the preparation for the site in Jintan, China, the segment's operating result was significantly above the level of the previous year.

In the Isotope Products segment, earnings (before minorities) increased by € 5.1 million to € 12.6 million compared with the nine months of 2021. Due to the increase in sales combined with a favorable product mix, higher contribution margins were generated compared to the nine months of the previous year.

The Other segment, which includes the holding company and Pentixapharm GmbH, closed the third quarter with a result (before minorities) of € -1.9 million (previous year: € -0.1 million).

In connection with the restrictions on the repatriation of investment income from Russian companies abroad introduced by Russia in July 2022, as well as the increased risk of capital loss at associated companies in Russia, the at-equity shares in Russian-based associated companies were written down by 50% (€ 0.9 million) as of September 30, 2022.

A.2 FINANCIAL POSITION

Balance sheet

Total assets at the end of September 2022 increased by € 38,2 million compared to the annual financial statements for 2021 and now amount to € 385,9 million (previous year: € 347.7 million).

On the assets side, tangible assets increased by € 16,5 million to € 78,4 million. This increase is mainly due to investments in production sites in the USA, China and Germany (€ 14,5 million), the first-time consolidation of Tecnonuclear SA (€ 1.4 million) and the acquisition of the property in Argentina (€ 0.4 million).

Investments in associated companies decreased by a total of € 1.2 million to € 13,9 million. This results from the first-time at-equity consolidation of the shares in Atom Mines LLC, Texas, USA amounting to € 0.8 million, a planned repayment of equity at Americium Consortium LLC in the amount of € 0.9 million, a 50% devaluation of the at-equity investments of the Russian investments (€ 0.9 million) and currency effects.

Compared to December 31, 2021, goodwill increased by € 7.6 million to € 41,2 million. The preliminary purchase price allocation for Tecnonuclear SA, Argentina, accounted for € 5.4 million of this increase and the remaining € 2.2 million results from currency effects, primarily at the US companies.

Other intangible assets increased by € 6,7 million. This was mainly due to the acquisition of the shares in Atom Mines LLC, USA. The difference between the purchase price and the pro rata equity amounting to € 3.6 million was measured as an economic benefit for the future and thus recognized as an intangible asset. At Pentixapharm GmbH, € 2.8 million in development costs for the new product Pentixafor were capitalized.

Trade accounts receivable increased by € 9,0 million and inventories by € 10,1 million. These increases are mainly attributable to the first-time consolidation of Tecnonuclear SA, Argentina. As a result of the sale of Wolf-Medizintechnik GmbH in June 2022, assets held for sale decreased by € 4.1 million compared to the balance sheet as of December 31, 2021, to € 0.0 million.

The changes on the liabilities side mainly relate to liabilities from loans and other liabilities.

The change in current and non-current loan liabilities is due to the restructuring of a short-term USD loan of the equivalent of € 7.1 million taken out at the time of the purchase of the property in Wilmington, MA (USA) into a non-current and a current part. The short-term part in the amount of approximately 2.2 million US dollars was repaid in June. In the 2022 financial year, several long-term loans were taken out to finance the corporate strategy.

The change in other liabilities mainly results from the purchase price payments still to be made for the acquisition of Tecnonuclear SA, Argentina. As of 30 September 2022, including the contractually agreed purchase price adjustment, these consist of a current portion of € 4.2 million and a non-current portion of € 2.8 million. The purchase price payments still to be made for the acquisition of the remaining shares in Pentixapharm GmbH amounting to € 8.0 million were made in the third quarter of 2022.

Equity increased by € 8,0 million to € 200,5 million as of September 30, 2022. The increase resulted primarily from the net profit for the period of € 23,3 million including minority interests, as well as currency translation differences of € 2,9 million recognized in equity, reduced by a dividend payment of € 10.7 million including minority interests. With the acquisition of the remaining shares in Pentixapharm GmbH, 3.7 million shares were acquired from the previous minority shareholders; the difference to the purchase price of € 8.0 million was booked against the consolidated profit carried forward. The equity ratio decreased from 55.4% to 52.0%.

Cash situation

The cash inflow from operating activities amounted to € 15,4 million. In the same period of the previous year, a cash inflow of € 20,4 million was realized.

The cash outflow from investing activities amounted to € 23,0 million. The figures for the first nine months of 2022 reflect the implementation of the communicated corporate strategy. Whereas € 17,4 million was invested in the previous year, expenditure on intangible assets, property, plant and equipment and acquisitions rose to € 25,0 million this year. In the context of the settlement of the Americium Consortium LLC joint venture, the Group received a repayment of € 0,9 million. Securities were sold in the amount of € 1,2 million. From the sale of shares in Wolf-Medizintechnik GmbH, the Eckert & Ziegler Group received € 0,8 million after deduction of the cash transferred on the sale. Last year, the Group received a total of € 10,4 million from the sale of shares in consolidated companies in the tumor irradiation device division after deduction of the cash transferred on the sale.

Regarding the cash flow from financing activities, € 10,4 million (previous year: € 9,3 million) was used for the payment of dividends to the shareholders of Eckert & Ziegler AG. In addition, a dividend payment of € 0,4 million was made to minority shareholders. During the period, the Group raised € 24,2 million; financial resources amounting to € 12,6 million (previous year: € 2,9 million) were used for the repayment of credit line and leasing liabilities, including interest payments. In 2022 € 8,0 million was also paid for the acquisition of the remaining minority shares in Pentixapharm GmbH.

Overall, cash and cash equivalents as of September 30, 2022 are down € 10,9 million on the end of 2021 to € 82,7 million.

To finance its growth strategy, the Group uses its own liquidity as well as increasingly external financing using a mix of long-term loans and short-term cash credit lines, which can be applied flexibly depending on requirements and use. In an environment of rising interest rates, a focus has been placed on securing the Group's financing for the coming periods.

As of September 30, 2022, the Group has approximately € 17,0 million in cash credit lines that have not been drawn down and approximately € 30,0 million in long-term loan commitments, of which € 22,9 million have been drawn down as of September 30, 2022.

A.3 OUTLOOK

The results for the first three quarters of 2022 are in line with the Executive Board's expectations.

In the ad hoc announcement of July 5, 2022, the Executive Board lowered the profit forecast for fiscal year 2022 from € 38 million to € 27 million. Due to stalled negotiations and under the impression of a further slowdown in the international economy, the Executive Board considered the probability of being able to generate extraordinary income of € 14,3 million from the sale or revaluation of assets in this calendar year to be now less than 50%. At the same time, the Executive Board increased its profit forecast for the revolving business from the original € 24 million to € 27 million and continues to expect an increase in sales to around € 200 million. Despite the good nine-month figures, the Executive Board confirms its forecast. This position is based on the current tense and risky global economic situation.

A.4 RISKS AND OPPORTUNITIES

In the Annual Report 2021 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 described.

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

A.5 ADDITIONAL INFORMATION

Employees

As of September 30, 2022, the Eckert & Ziegler Group had 945 employees worldwide. Compared to the previous year (December 31, 2021: 866 employees), the number of employees continued to increase. The increase results primarily from the acquisition of Tecnonuclear SA, Argentina, which accounted for 81 employees as of September 30, 2022.

B. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

B.1 CONSOLIDATED INCOME STATEMENT

€ thousand	9-month report 01–09/2021*	9-month report 01–09/2022
Revenues	131,023	164,025
Cost of sales	–61,526	–79,588
Gross profit on sales	69,497	84,437
Selling expenses	–16,367	–20,164
General and administrative expenses	–23,118	–26,327
Impairment/reversals in accordance with IFRS 9	–64	–62
Other operating income	12,601	1,283
Other operating expenses	–4,822	–4,160
Profit from operations	37,727	35,007
Results from shares measured at equity	1,824	–1,037
Result from the valuation of financial instruments	0	415
Currency gains / losses	753	3,497
Earnings before interest and taxes (EBIT)	40,304	37,882
Interest received	100	84
Interest paid	–829	–1,286
Profit before tax	39,575	36,680
Income tax expense	–10,288	–12,939
Net income/loss from continuing operations	29,287	23,741
Profit (-)/loss (+) attributable to minority interests	–85	–422
Profit attributable to the shareholders of Eckert & Ziegler AG	29,202	23,319
Earnings per share		
Basic	1.41	1.12
Diluted	1.41	1.12
Average number of shares in circulation (basic)	20,676	20,765
Average number of shares in circulation (diluted)	20,676	20,816

* adjusted due to restatement; see Notes to the interim consolidated financial statements

B.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousand	9-month report 01–09/2021	9-month report 01–09/2022
Profit for the period	29,287	23,741
of which attributable to shareholders of Eckert & Ziegler AG	29,202	23,319
of which attributable to other shareholders	85	422
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	2,949	2,894
Amount reposted to income statement	–246	0
Currency differences from the translation of foreign operations	2,703	2,894
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	184	–387
Deferred taxes	–55	0
Net earnings from equity instruments designated at fair value through other comprehensive income	129	–387
Other comprehensive income after taxes	2,832	2,507
Consolidated comprehensive income	32,119	26,248
of which attributable to shareholders of Eckert & Ziegler AG	32,040	25,809
of which attributable to non-controlling interests	79	439

B.3 CONSOLIDATED BALANCE SHEET

€ thousand	Dec 31, 2021	Sept 30, 2022
ASSETS		
Non current assets		
Goodwill	33,610	41,238
Other intangible assets	27,821	34,565
Property, plant and equipment	61,871	78,350
Rights of use (IFRS 16)	19,300	21,780
Investments in affiliates or joint ventures	15,086	13,882
Deferred tax assets	11,170	12,630
Other non-current assets	1,271	1,874
Total non-current assets	170,129	204,319
Current assets		
Cash and cash equivalents	93,659	82,731
Securities	1,358	42
Trade accounts receivable	31,880	40,850
Inventories	37,356	47,467
Income tax receivables	2,860	4,995
Other current assets	6,348	5,525
Non-current assets held for sale and disposal groups	4,139	0
Total current assets	177,600	181,610
Total assets	347,729	385,929
EQUITY AND LIABILITIES		
Shareholder's equity		
Subscribed capital	21,172	21,172
Capital reserves	66,162	66,579
Retained earnings	106,223	114,887
Other reserves	-2,223	267
Own shares	-3,942	-3,855
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	187,392	199,050
Minority interests	5,134	1,487
Total shareholders' equity	192,526	200,537
Non-current liabilities		
Long-term debt	0	22,909
Long-term lease obligations (IFRS 16)	16,836	19,467
Deferred income from grants and other deferred income	2,452	2,426
Deferred tax liabilities	2,228	2,666
Retirement benefit obligations	13,044	13,022
Other non-current provisions	59,836	64,346
Other non-current liabilities	358	3,265
Total non-current liabilities	94,754	128,101
Current liabilities		
Short-term debt	7,074	12
Current portion of lease obligations (IFRS 16)	3,056	3,056
Trade accounts payable	5,578	4,097
Advance payments received	11,644	14,310
Deferred income from grants and other deferred income (current)	38	23
Income tax liabilities	6,144	9,072
Other current provisions	3,590	3,901
Other current liabilities	22,573	22,820
Liabilities directly associated with assets and disposal groups held for sale assets and disposal groups	752	
Total current liabilities	60,449	57,291
Total equity and liabilities	347,729	385,929

B.4 CONSOLIDATED CASH-FLOW STATEMENT

€ thousand	9-month report 01–09/2021*	9-month report 01–09/2022
Cash flows from operating activities:		
Profit for the period	29,287	23,741
Adjustments for:		
Depreciation and value impairments	7,174	7,464
Net interest income [interest expense (+)/income (-)]	729	1,202
Income tax expense	10,288	12,939
Income tax payments	-9,298	-13,397
Non-cash release of deferred income from grants	-38	-40
Gains (-)/losses on the disposal of non-current assets	-10,737	58
Change in non-current provisions, other non-current liabilities	1,625	2,234
Change in other non-current assets and receivables	-123	-544
Other non-cash items	-798	-706
Changes in current assets and liabilities:		
Receivables	-933	-6,366
Inventories	-6,547	-8,436
Change in other current assets	-472	550
Change in current liabilities and provisions	277	-3,267
Cash inflows generated from operating activities	20,434	15,432
Cash flows from investing activities:		
Outflows for intangible assets and property, plant and equipment	-9,464	-18,352
Income from the sale of intangible assets and property, plant and equipment	0	16
Income from the sale of shares in consolidated companies (less cash and cash equivalents transferred)	10,391	794
Expenses for acquisitions (less cash and cash equivalents transferred)	-7,942	-6,691
Expenses for the acquisition of shareholdings	-70	-787
Income from investments	2,483	892
Income from the sale of securities	0	1,178
Cash inflows/outflows from investing activities	-4,602	-22,950
Cash flows from financing activities:		
Dividends paid	-9,323	-10,382
Dividend paid to minority shareholders	0	-359
Payments from taking out loans	0	24,183
Cash outflows for repayment of loans and lease liabilities	-2,169	-11,443
Payments for the acquisition of non-controlling interests	0	-8,000
Interest received	53	84
Interest paid	-721	-1,120
Cash outflows from financing activities	-12,160	-7,037
Effect of exchange rates on cash and cash equivalents	1,386	3,627
Increase/reduction in cash and cash equivalents	5,058	-10,928
Cash and cash equivalents at beginning of period	87,475	93,659
Cash and cash equivalents at end of period	92,533	82,731

*adjusted due to restatement; see Notes to the interim consolidated financial statements

B.5 CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY

amounts in € thousand except number of shares	Subscribed capital				Cumulative other equity items						
	Number	Nominal value	Capital reserve	Retained reserves	Unrealized profit securities	Unrealized profit pension commit- ments	Foreign currency exchange differences	Own shares	Equity attributable to share- holders' equity	Minority shares	Group share- holders' equityw
Balance as of January 1, 2021	21,171,932	21,172	54,188	81,019	-4,536	162	-1,223	-5,519	145,263	1,096	146,359
Total of expenditures and income directly entered in equity	0	0	0	0	939	225	2,210	0	3,374	69	3,443
Net profit for the year	0	0	0	34,527	0	0	0	0	34,527	130	34,657
Total income for the period	0	0	0	34,527	939	225	2,210	0	37,901	199	38,100
Dividends paid/resolved	0	0	0	-9,323	0	0	0	0	-9,323	0	-9,323
Minority interest in acquisitions	0	0	0	0	0	0	0	0	0	3,839	3,839
Share-based payment	0	0	3,927	0	0	0	0	363	4,290	0	4,290
Use of treasury shares for acquisition	0	0	8,047	0	0	0	0	1,214	9,261	0	9,261
As of December 31, 2021	21,171,932	21,172	66,162	106,223	-3,597	387	987	-3,942	187,392	5,134	192,526
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 income and expenses directly recognized in equity	0	0	0	0	0	-387	2,877	0	2,490	17	2,507
Consolidated net income	0	0	0	23,319	0	0	0	0	23,319	422	23,741
Consolidated comprehensive income	0	0	0	23,319	0	-387	2,877	0	25,809	439	26,248
Dividend payment or resolution	0	0	0	-10,382	0	0	0	0	-10,382	-359	-10,741
Acquisition of non-controlling shares	0	0	0	-4,273	0	0	0	0	-4,273	-3,727	-8,000
Stock-based compensation	0	0	417	0	0	0	0	87	504	0	504
As of September 30, 2022	21,171,932	21,172	66,579	106,975	-3,597	0	3,864	-3,855	199,050	1,487	200,537

B.6 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

General information

These interim consolidated financial statements as of September 30, 2022 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, 2022 have been 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, applicable in the EU on the balance sheet date, as well as the valid interpretations of the International Financial Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) have been taken into account. The accounting and valuation methods explained in the notes to the 2021 consolidated financial statements have been applied unchanged.

For the preparation of the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that have an effect on the amount and disclosure of the assets and liabilities, income and expenses reported in the balance sheet. The actual values may differ from the estimates. Significant assumptions and estimates are made with regard to periods of use, recoverable amounts of non-current assets, the realisability of receivables and the recognition and measurement of provisions. Due to rounding, some figures may not add up precisely to the totals provided.

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

Scope of consolidated financial statements

In April 2021, the IFRS Interpretation Committee issued its agenda decision on the accounting for customization costs in cloud-based software solutions (Configuration or Customization Costs in a Cloud Computing Arrangement (IAS 38)). As a result of this final decision, the Company changed its previous accounting policy regarding the accounting for customization costs.

Since 2018, costs related to the initial setup and configuration of a new ERP system running as a cloud solution have been capitalized as internally generated intangible assets in accordance with IAS 38.57. In the Agenda Decision, the IFRS IC clarified that, as a rule, customizing costs can only be capitalized as intangible assets if the software concerned is controlled by the reporting entity as an intangible asset and is consequently also capitalized.

The clarification of the IFRS IC provided new insights into the application of the regulations in this respect, which ensure improved presentation. In this context, the customizing costs were retrospectively recognized as expenses of the respective financial year. The comparative amounts for the period January-September 2021 have been adjusted as if the customizing costs had already been recognized as an expense in the respective year in 2021 and previous years. The adjusted and original amounts in the income statement and cash flow statement as of September 2021 are shown in the following table:

€ thousand	Q3/2021		
	before adjustment	adjustment	after adjustment
Income Statement			
General and administrative expenses	-23,079	-39	-23,118
Operating income	37,766	-39	37,727
Earnings before interest and taxes (EBIT)	40,343	-39	40,304
Earnings before taxes (EBT)	39,614	-39	39,575
Income taxes	-10,291	3	-10,288
Group earnings	29,323	-36	29,287
Profit attributable to the shareholders of Eckert & Ziegler AG	29,238	-36	29,202
Earnings per share			
Basic (€ per share)	1.41	-0.00	1.41
Diluted (€ per share)	1.41	-0.00	1.41
Cashflow			
Group earnings	29,323	-36	29,287
Adjustment for:			
Depreciation and amortization	7,512	-338	7,174
Income tax expense	10,291	-3	10,288
Cash inflow from operating activities	20,811	-377	20,434
Expenses for intangible assets and property, plant and equipment	-9,841	377	-9,464
Cash inflow from investing activities	-4,979	377	-4,602
Increase in cash and cash equivalents	5,058	-	5,058

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

Tecnonuclear SA, Argentina

On January 3, 2022, Eckert & Ziegler acquired 100% of the shares in the Argentine 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 referred to as SPECT diagnostics. They represent the most widely used class of nuclear medicine products worldwide for the detection of cancer and cardiovascular abnormalities. Tecnonuclear, based in Buenos Aires, had 65 employees at the time of acquisition and generated sales of approximately \$10 million in 2021. The products were previously distributed by Eckert & Ziegler in Brazil, where they are sold together with the generators as consumables for single-photon emission computed tomography (SPECT). Currently, around 25 million patients are examined annually with SPECT diagnostics, representing a global market volume of around USD 1.7 billion. With the emergence of new proprietary SPECT tracers, demand is expected to grow dynamically and reach a volume of approximately USD 2.7 billion in 2027. The purchase price (including the price adjustment agreed in the purchase contract) of USD 15,3 million was primarily based on Tecnonuclear's profitability and was paid in full from Eckert & Ziegler's cash flow in the first step in the amount of USD 8.1 million. The remaining amount of USD 7,3 million will be paid over the next 3 years. The transaction was carried out without external financing. As of September 30, 2022, the difference between the purchase price and the equity of Tecnonuclear SA, amounting to € 5.4 million, was recognized as goodwill on the basis of a preliminary purchase price allocation. This preliminary purchase price allocation will be replaced by a final purchase price allocation by the end of the year.

As inflation in Argentina in the last three years has cumulatively exceeded 100%, Argentina is treated as a hyperinflationary economy under IAS 29, with the effect that all balance sheet and income statement items are regularly adjusted to reflect the high inflation.

Atom Mines LLC, USA

On January 10, 2022, Eckert & Ziegler Radiopharma GmbH acquired 18.5% of the shares in Atom Mines LLC, Texas USA. Atom Mines LLC is a manufacturer of ytterbium with whom Eckert & Ziegler Radiopharma GmbH has concluded an exclusive long-term supply agreement for ytterbium-176. The agreement has a strategic dimension, as cancer therapies based on lutetium-177 have proven to be highly effective, but the worldwide supply of the indispensable precursor ytterbium-176 has so far been measured in grams per year. A new production process, co-financed by Eckert & Ziegler and developed by Atom Mines, is now expected to solve this bottleneck: the first samples delivered met the relevant quality criteria, in particular isotopic purity. Eckert & Ziegler will thus be in a position to offer lutetium-177 in large quantities to pharmaceutical companies around the world and beyond for hundreds of thousands of patients per year. A total of USD 5.0 million was agreed as purchase price for the shares in Atom Mines LLC and for an exclusive supply contract for ytterbium-176, of which USD 3.4 million has already been paid. Atom Mines LLC is consolidated “at equity”. The difference between the total purchase price and the pro rata acquired equity of the company was recognized as an intangible asset.

Pentixapharm GmbH, Würzburg

On April 7, 2022, Eckert & Ziegler Strahlen-und Medizintechnik AG acquired the remaining 9.37% of the shares in Pentixapharm GmbH, Würzburg. The purchase price for this transaction amounts to € 8.0 million, which was paid in the third quarter of 2022. The difference between the purchase price and the value of the non-controlling interests acquired was posted against the consolidated profit carried forward.

Wolf-Medizintechnik GmbH, St. Gangloff, Thüringen

In June 2022, all shares held in Wolf-Medizintechnik GmbH (WOMED) were sold to BEBIG Medical GmbH, Berlin. The assets and liabilities of WOMED were already recognized as assets and liabilities held for sale in the 2021 annual financial statements. Wolf-Medizintechnik GmbH was deconsolidated as of June 30, 2022.

Currency translation

The financial statements of companies outside the European Monetary Union are translated using the functional currency concept. The following exchange rates have been used for currency translation purposes:

Country	Currency	Exchange rate on 09/30/2022	Exchange rate on 12/31/2021	Average exchange rate 01/01–09/30/2022	Average exchange rate 01/01–09/30/2021
USA	USD	0.9748	1.1326	1.0638	1.1960
Czech Republic	CZK	24.5490	24.8580	24.6240	25.7374
Great Britain	GBP	0.8830	0.8403	0.8471	0.8836
Brazil	BRL	5.2584	6.3101	5.4665	6.3755
Switzerland	CHF	0.9561	1.0301	1.0116	1.0904
China	CNY	6.9368	7.1947	7.0178	7.6007
Argentina	ARS	144.2999	–	127.4446	–

Equity and treasury stock

As of September 30, 2022, Eckert & Ziegler AG held 406,506 of its own shares. This corresponds to a share of 1.92% of the company's share capital.

Segment information

SEGMENT REPORT – INCOME STATEMENT

€ thousand	Isotope Products		Medical		Other		Elimination		Total	
	Q3/2022	Q3/2021	Q3/2022	Q3/2021	Q3/2022	Q3/2021	Q3/2022	Q3/2021	Q3/2022	Q3/2021
Sales to external customers	98,807	69,445	65,194	61,529	24	49	0	0	164,025	131,023
Sales to other segments	3,922	3,645	308	43		5,611	-4,230	-9,299	0	0
Total segment sales	102,729	73,090	65,502	61,572	24	5,660	-4,230	-9,299	164,025	131,023
Result from investments valued at equity	-744	-117	-293	50	0	1,891	0	0	-1,037	1,824
Segment profit before interest and profit taxes (EBIT)	18,724	11,051	21,489	29,019	-2,331	273	0	0	37,882	40,343
Interest expenses and revenues	-706	-468	-355	-159	-141	-102	0	0	-1,202	-729
Income tax expense	-5,419	-2,869	-8,139	-7,192	619	-230	0	0	-12,939	-10,291
Profit before minority interests	12,599	7,714	12,995	21,668	-1,853	-59	0	0	23,741	29,323

SEGMENT REPORT – BALANCE SHEET

€ thousand	Isotope Products		Medical		Other		Total	
	Q3/2022	Q3/2021	Q3/2022	Q3/2021	Q3/2022	Q3/2021	Q3/2022	Q3/2021
Assets	200,955	167,338	145,333	121,539	154,670	161,168	500,958	450,045
Elimination of inter-segment shares, equity investments and receivables							-115,029	-118,617
Consolidated total assets							385,929	331,428
Liabilities	-111,685	-93,049	-69,109	-43,403	-20,715	-34,993	-201,509	-171,445
Elimination of inter-segment liabilities							16,117	25,557
Consolidated liabilities							-185,392	-145,891
Investments in associated companies	1,940	3,156	11,942	11,536	0	0	13,882	14,692
Investments (without acquisitions)	10,532	2,522	4,615	4,500	3,205	2,819	18,352	9,841
Depreciation and amortization incl. RoU according to IFRS 16	-4,184	-4,054	-2,356	-2,498	-924	-960	-7,464	-7,512
Impairments	-54	-41	-9	-3	0	0	-62	-44

Material transactions with related parties

With regard to significant related party transactions, we refer to the disclosures in the consolidated financial statements as of December 31, 2021.

Disclosures on financial instruments

As of September 30, 2022, financial assets measured at fair value mainly include the following:

- conditional receivables from the sale of shares in OctreoPharm Sciences GmbH amounting to € 240 thousand (unchanged as of December 31, 2021). The fair value of these receivables is determined on the basis of the estimated probability of occurrence of individual milestones from the development project.
- short-term securities (equity instruments of listed companies), amounting to € 42 thousand (€ 1,358 thousand as of December 31, 2021), the fair value of which was determined on the basis of quoted, unadjusted prices in active markets for these assets.
- derivative financial assets from an interest rate cap in the amount of € 700 thousand. The Group has hedged a € 20.0 million loan over 5 years with variable interest rates based on the 3-month Euribor by an interest rate cap. Like the loan, this interest rate cap has a nominal amount of € 20 million, a duration of 5 years with a similar repayment structure. The strike rate is 1.5% based on 3-month Euribor.

Financial liabilities measured at fair value mainly include the following values as of September 30, 2021:

- Liabilities from contingent purchase price payments from the business combinations as defined by IFRS 3 in the amount of € 31 thousand (unchanged as of December 31, 2021). 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 fair value of cash and cash equivalents, current receivables, trade payables and other current trade payables and other receivables approximates their carrying amount. This is mainly due to the short maturity of such instruments.

The Group determines the fair value of liabilities to banks and other financial liabilities that bear interest at a fixed rate (different from the market rate) by discounting the expected future cash flows at the current market interest rate applicable to similar financial liabilities with comparable remaining maturities.

Events after the balance sheet date

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

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.

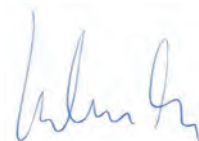
Berlin, 8 November 2022



Dr Andreas Eckert
Chairman of the Executive Board



Dr Harald Hasselmann
Member of the Executive Board



Dr Lutz Helmke
Member of the Executive Board

FINANCIAL CALENDAR

November 29, 2022	German Equity Forum, Frankfurt
January 18, 2023	German Corporate Conference, Frankfurt
March 30, 2023	Annual Financial Statement 2022
May 11, 2023	Quarterly Report I/2023
June 07, 2023	Annual General Meeting
August 10, 2023	Quarterly Report II/2023
November 14, 2023	Quarterly Report III/2023

Subject to changes

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