QUARTERLY REPORT II

2018

Eckert & Ziegler
Contributing to saving lives

KEY DATA ECKERT & ZIEGLER

		1–6/2018	1–6/2017*	Change
Sales	€ million	81.0	64.8	+ 25 %
Return on revenue before tax	%	15	15	0 %
EBITDA	€ million	17.0	14.4	+ 18 %
EBIT	€ million	12.8	10.2	+ 25 %
EBT	€ million	12.5	9.9	+ 27 %
Net income before other shareholder´s interests	€ million	8.9	6.9	+ 29 %
Profit	€ million	8.5	9.7	– 12 %
Earnings per share (basic)	€	1.62	1.23	+ 31 %
Operational cash flow	€ million	5.1	10.7	– 52 %
Depreciation and amortization on non-current assets	€ million	4.2	4.1	+ 1 %
Staff as end of period	Persons	792	755	+ 5 %

** only from continuing operations*

MILESTONES

MANUFACTURING PARTNER FOR BAYER'S INNOVATIVE TARGETED THORIUM CONJUGATES IN EUROPE

Eckert & Ziegler has been selected as manufacturing partner for clinical supply of Bayer's innovative Targeted Thorium Conjugates (TTCs) in Europe. TTCs are a versatile, next-generation targeted alpha therapy (TAT). The approach uses tumor targeting molecules such as antibodies that carry alpha-particle emitting Thorium-227 to the tumor. TTCs have the potential to be used in a broad range of tumors, and also for patients who are refractory to chemotherapy or conventional targeted oncologics.

SHARE BUYBACK OFFER

As part of a voluntary public share buyback offer Eckert & Ziegler has repurchased 125,000 of its own shares. Since a total of 1,189,100 shares were tendered within the acceptance period, not all acceptance declarations could be accepted in full. Following this public share buyback offer, the company now holds a total of 129,818 own shares, including the 4,818 shares already held, representing 2.45 % of the registered share capital.

DIVIDEND

A dividend in the amount of € 0.80 is decided at the Annual General Meeting on 30 May 2018.

FELIX MICK BRACHYTHERAPY AWARD

Eckert & Ziegler BEBIG granted the Felix Mick Brachytherapy Award 2018 to two young radio oncologists who are dedicated to the brachytherapy of prostate cancer. The winners, Andreia Ponte, M.D. and Dr. Jose A. Domínguez Rullán got a free of charge participation in a brachytherapy teaching course organized by the European Society for Radiotherapy and Oncology.

BUSINESS DEVELOPMENT OF THE ECKERT & ZIEGLER GROUP

INCREASE IN REVENUE IN ALL BUSINESS SEGMENTS

In the first six months of 2018, the Eckert & Ziegler Group generated an outstanding result of € 1.62 per share. Compared with the prior year, the Group's earnings per share increased by € 0.39 or 31 %. The weak results from the first quarter of 2018 were thus more than compensated for. The good results showed up in all segments. In the industrial business (Isotope Products), sales in the energy sector in particular increased, and with radiopharmaceuticals, the demand for isotopic markers ensured record results. In the Radiation Therapy segment, sales of afterloaders also exceeded the previous year's figures. Since income and sales from discontinued operations must be reported separately in accordance with IFRS 5 (just as with non-current assets held for sale), the figures and notes about the comparable period relate only to the continuing operations, unless otherwise stated.

Sales

Eckert & Ziegler AG attained record sales of € 81.0 million in the first half of 2018. The sales increased by € 16.2 million, or 25 %, when compared to the previous year.

The Isotope Products segment – which increased its sales by € 13.6 million or 33 % to € 54.2 million due to the sales of the Gamma-Service Group acquired at the end of May 2017 and the increased demand in the energy sector – experienced the largest growth spurt within the continuing operations. Sales in the Radiation Therapy segment rose as well by € 2.0 million or 16 % to € 14.2 million, driven by good sales of afterloaders. The Radiopharma segment increased sales by 15 % to € 15.4 million. The reason for that is the increasing need for pharmaceutical radioisotopes.

The strong euro had adverse effects on the sales growth in all segments due to the adverse effects on sales made in foreign currency. Compared with the previous year, the Group lost € 4.6 million that way, so the growth after adjustment for currency effects would have totaled € 20.7 million or 32 %. Organic, real sales growth – in other words, sales adjusted for currency effects and excluding the acquisitions and disposals made in 2017 – amounted to € 11.9 million or 18 %.

Income (profit for the year)

The Group's earnings per share increased by € 0.38 to € 1.62 per share. Thus, the earnings per share were 30 % above the level of the prior year's quarter in which earnings per share of € 1.23 were generated, with sales totaling € 64.8 million. The reason for the strong net income for the financial year was primarily the increased demand for lucrative components in the industrial and pharmaceutical segment.

The Isotope Products segment thus exceeded the good results from the previous year. Due to the integration of the Gamma-Service Group, however, the gross margin only rose disproportionately by € 2.2 million to € 11.4 million. The distribution, management and development costs, on the other hand, remained at the previous year's level of € 13.8 million. Other income and expenses increased to € 1.1 million due to the internal Group sale of the cobalt-60 business to the Radiation Therapy segment. Net financial income at € 0.3 million remained at the previous year's level for this period due to the negative currency effect. Taxes correspondingly grew by € 0.6 million to € 2.5 million. The segment closed with post-tax earnings of € 5.5 million and thus € 2.1 million above the prior year's results. Well-filled order books promised solid results in the second six months of the year as well. With a result for the period of € 0.5 million, the Radiation Therapy segment, just as in the previous year, recorded a profit. Although the segment had extraordinary income of € 0.7 million from selling seed production in the US, there was no such extraordinary effect in the first six months of 2018. Profits therefore dropped by € 0.5 million from the previous year. If one discards this one-time effect, profit improved by € 0.2 million. In line with the good sales, the gross profit margin rose by € 0.6 million. The distribution and administrative costs increased by € 0.8 million compared with the previous year. Because of the extraordinary effect already indicated, other expenses and income dropped from € 0.6 million to € 0.1 million. The foreign currency effects had hardly any effect on results. In the previous year, they amounted to € 0.2 million. Taxes and minority interests correspondingly increased by € 0.1 million to € 0.1 million.

The Radiopharma segment had an outstanding result of € 3.7 million. The distribution costs increased slightly by € 0.1 million; research costs also rose only slightly by € 0.2 million. The interest and currency effects, on the other hand, dropped by a total of € 0.3 million. Tax expenses increased by a total of € 0.3 million. Thus, the segment earnings increased by € 1.1 million, or 43 %, compared with the first six months of 2017.

LIQUIDITY

The operating cash flow fell by € 5.5 million to € 5.1 million, and thus by 52 %. The main reason for this was the change in current assets and liabilities, which overall led to a funds outflow of € 7.2 million. For example, receivables increased by € 4.6 million since the start of the year. The reason for that is phase effects, caused by the good sales, which led to higher receivables. In the period from January to June 2017, they declined by € 0.4 million. Inventories increased by about € 0.3 million, which corresponds to the value for the comparable period.

And the changes in the other current assets, as well as in liabilities and reserves, led overall to an outflow of € 2.3 million. Most of it was from payment of bonuses and profit sharing. Last year, the value was still € 1.0 million because at that point there was still an incoming flow of € 1.1 million for the remaining current assets. That was primarily caused by dissolution of an escrow account in the first six months of 2017. In addition, the period results are € 1.0 million under that for the comparable period and the tax payments were € 0.7 million over the tax expenses. The previous year, a gain of € 4.7 million was attained from the sale of holdings in consolidated companies in 2017. The proceeds from this sale were reported in the cash flow from investing activities. This item was therefore corrected in the operating cash flow in the comparable period. In the first six months of 2018, there was no comparable item.

Although there was still a cash inflow of € 4.0 million achieved in cash flow from investments in the first six months of 2017, there was a cash outflow of € 4.3 million in the same period of the reporting year. First of all, € 2.2 million was spent to acquire fixed assets during the reporting period, while during the same period last year, an additional € 2.4 million was spent. In addition, the acquisition of WOLF Medizintechnik GmbH (WOMED) in the first six months of 2018 resulted in a net cash outflow of € 2.1 million. The sum of € 2.6 million was paid in cash, while € 0.5 million in liquidity was taken over in return. A further € 0.5 million was paid back at the end of 2017. As a result of the sale of the Cyclotron unit and the repayment of existing loans as scheduled, the Eckert & Ziegler Group has only minor loan liabilities. That reduces the amount spent on repaying loans by € 3.5 million to only € 0.7 million compared with the same period in the previous year.

The good liquidity situation also puts the Eckert & Ziegler Group in a position to generate additional revenues by issuing loans. Therefore a loan of € 2.5 million was issued to the main shareholder at normal market conditions. The dividend increase decided upon in May caused an increase in cash outflow for dividend payments from € 3.5 million in the previous year to € 4.1 million in the current year. A total of € 4.8 million was spent on buying back holdings. Overall, cash and cash equivalents as of June 30, 2018 fell € 11.1 million since the end of 2017 to a current € 46.2 million.

BALANCE SHEET

The balance sheet total as of the end of June 2018 changed only to a minor extent compared to the annual financial statements for 2017 and currently amounts to € 214.2 million (previous year: € 217.0 million). On the assets side, goodwill increased by € 2.4 million, caused by the acquisition of WOMED. On the other hand, intangible assets fell by € 1.5 million, mostly due to scheduled depreciation. Property, plant and equipment hardly changed, because the investment of € 2.2 million corresponds approximately to the scheduled depreciation of the existing property, plant, and equipment. The € 2.9 million increase in the other long-term assets results mostly from a loan made to the main shareholder of € 2.5 million. Cash and cash equivalents were reduced by € 11.1 compared to the end of 2017. (For details, see the "Liquidity" section.) Trade receivables were increased by € 3.1 million, as were inventories, which increased by € 2.7 million. Other assets declined by € 1.8 million.

On the liabilities and shareholder's equity side, long-term debts increased by € 2.5 million to € 68.0 million. The main reason for that is higher long-term reserves and higher deferred tax liabilities. Countering that, current liabilities were reduced overall by € 6.2 million to € 27.8 million. Mostly, the reduced amounts payable for revenue tax, which were brought down to € 2.6 million, and the remaining current liabilities, which fell to € 2.2 million, contributed to that. Short-term loan liabilities also fell by € 0.7 million to € 0.9 million. Down payments received also fell by € 0.4 million to € 5.5 million. Equity increased by € 0.9 million to € 118.4 million as at June 30, 2018. The € 8.9 million increase through the period results (of which € 0.3 went to minority interests) is offset with a dividend payment of € 4.1 million. A negative change of € 1.1 million is derived from translation of subsidiaries that do their accounts in foreign currency. As part of the share buyback program, 125,000 shares were acquired in May 2018 for € 4.8 million. The balance sheet puts this amount separately as an item distinct from equity. The equity ratio improved from 54 % to 55 %.

EMPLOYEES

The Eckert & Ziegler Group had a total of 792 employees worldwide as of June 30, 2018. Compared with the previous year, the number of employees increased by 37. Major changes primarily resulted from the acquisition of WOMED, which was acquired in January of this year.

OUTLOOK

Since the 2018 half-year result contains only a few extraordinary effects and the good business development included almost all of the main product groups, the Executive Board now assumes that the consolidated earnings from continuing operations will increase by at least 15 % for the fiscal year 2018 compared to the prior year. The previous target of € 2.20 therefore increases to around € 2.50 per share. Sales are expected to be at around € 160 million, assuming that the euro exchange rate does not exceed $ 1.15.

CONSOLIDATED INCOME STATEMENT

€ thousand	Quarterly Report II/2018 1–6/2018	Quarterly Report II/2017 1–6/2017
Continued operations		
Revenues	81,025	64,817
Cost of sales	– 44,669	– 32,729
Gross profit on sales	**36,356**	**32,088**
Selling expenses	– 10,152	– 9,568
General and administrative expenses	– 12,028	– 11,954
Other operating income	844	1,180
Other operating expenses	– 1,941	– 929
Profit from operations	**13,079**	**10,817**
Other financial results	– 279	– 583
Earnings before interest and taxes (EBIT)	**12,800**	**10,234**
Interest received	65	57
Interest paid	– 326	– 410
Profit before tax	**12,539**	**9,881**
Income tax expense	– 3,674	– 3,011
Net income/loss from continued operations	**8,865**	**6,870**
Results from discontinued operations, net	–	3,159
Net income	**8,865**	**10,029**
Profit/loss attributable to minority interests	– 345	– 349
Profit attributable to the shareholders of Eckert & Ziegler AG	**8,520**	**9,680**
Earnings per share from continued and discontinued operations		
Basic	1.62	1.83
Diluted	1.62	1.83
Earnings per share		
Basic	1.62	1.23
Diluted	1.62	1.23
Average number of shares in circulation (basic)	5,267	5,288
Average number of shares in circulation (diluted)	5,267	5,288

GROUP STATEMENT OF COMPREHENSIVE INCOME

€ thousand	**Quarterly Report II/2018 4–6/2018**	Quarterly Report II/2017 4–6/2017
Profit for the period	**8,865**	**10,029**
Of which attributable to other shareholders	345	349
Of which attributable to shareholders of Eckert & Ziegler AG	8,520	9,680
Items that could subsequntly be reclassified into the income statement if certain conditions are met		
Adjustment of balancing item from the currency translation of foreign subsidiaries	1,042	– 2,374
Amount reposted to income statement	0	– 223
Adjustment of amount recorded in shareholders' equity (Currency translation)	**1,042**	**– 2,597**
Total of value adjustments recorded in shareholders' equity	**1,042**	**– 2,597**
Of which attributable to other shareholders	– 16	21
Of which attributable to shareholders of Eckert & Ziegler AG	1,058	– 2,618
Total from net income and value adjustments recorded in shareholders' equity	**9,907**	**7,432**
Of which attributable to other shareholders	329	370
Of which attributable to shareholders of Eckert & Ziegler AG	9,578	7,062

GROUP STATEMENT OF CASH FLOWS

€ thousand	Quarterly Report II/2018 1/1 – 6/30/2018	Quarterly Report II/2017 1/1 – 6/30/2017
Cash flows from operating activities:		
Profit for the period	8,865	10,029
Adjustments for:		
Depreciation and value impairments	4,179	4,136
Income tax expense	3,674	–
Income tax payments	– 4,343	–
Non-cash release of deferred income from grants	– 102	– 42
Gains (–)/losses on the disposal of non-current assets	4	– 5
Profit/loss from the sale of shares consolidated companies	–	– 4,720
Change in the non-current provisions, other non-current liabilities	753	191
Change in other non-current assets and receivables	– 284	157
Miscellaneous	– 414	1,867
Changes in current assets and liabilities:		
Receivables	– 4,620	359
Inventories	– 317	– 330
Accruals, other current assets	– 603	1,153
Change in the current liabilities and provisions	– 1,682	– 2,145
Cash inflows generated from operating activities	**5,110**	**10,650**
Cash flows from investing activities:		
Purchase (–)/sale of non-current assets	– 2,208	– 2,493
Sale of shares measured at equity	13	14
Acquisitions of consolidated enterprises (deducting aquired cash positions)	– 2,101	– 5,802
Sale of shares in consolidated companies	–	12,249
Cash inflows/outflows from investment activity	**– 4,296**	**3,968**
Cash flows from financing activities:		
Paid dividends	– 4,133	– 3,490
Distribution of shares of third parties	– 66	–
Purchase of own shares	– 4,770	–
Chance in long-term borrwing	– 2	– 1,554
Chance in short-term borrwing	– 714	– 2,698
Granting of a loan	– 2,500	–
Aquisution of shares of consolidated companies	–	– 75
Cash outflows from financing activities	**– 12,185**	**– 7,817**
Effect of exchange rates on cash and cash equivalents	284	– 581
Increase/reduction in cash and cash equivalents	**– 11,087**	**6,220**
Cash and cash equivalents at beginning of period	**57,707**	**36,567**
Cash and cash equivalents at end of period	**46,620**	**42,787**

GROUP BALANCE SHEETS

€ thousand	June 30, 2018	Dec 31, 2017
ASSETS		
Non current assets		
Goodwill	43,703	41,333
Other intangible assets	8,590	10,106
Property, plant and equipment	34,084	33,829
Investments valuated according to the equity method	3,274	3,202
Trade receivables	271	338
Deferred tax	9,001	8,841
Other non-current assets	6,439	3,510
Total non-current assets	**105,362**	**101,159**
Current assets		
Cash and cash equivalents	46,630	57,707
Trade accounts receivable	27,429	24,305
Inventories	29,519	26,768
Other current assets	5,282	7,048
Total current assets	**108,860**	**115,828**
Total assets	**214,222**	**216,987**
EQUITY AND LIABILITIES		
Capital and reserves		
Subscribed capital	5,293	5,293
Capital reserves	53,500	53,500
Retained earnings	60,597	56,208
Other reserves	– 1,575	– 2,633
Own shares	– 4,797	– 27
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	**113,018**	**112,341**
Minority interests	5,439	5,176
Total shareholders' equity	**118,457**	**117,517**
Non-current liabilities		
Long-term borrowings	55	46
Deferred income from grants and other deferred income	3,052	3,152
Deferred tax	3,453	2,306
Retirement benefit obligations	11,820	11,675
Other provisions	46,775	45,499
Other non-current liabilities	2,852	2,848
Total non current liabilities	**68,007**	**65,526**
Current liabilities		
Short-term borrowings	949	1,687
Trade accounts payable	4,209	4,504
Advance payments received	5,509	5,859
Deferred income from grants and other deferred income	124	171
Current tax payable	1,540	4,096
Current tax payable	3,163	3,163
Other current liabilities	12,264	14,464
Total current liabilities	**27,758**	**33,944**
Total equity and liabilities	**214,222**	**216,987**

STATEMENTS OF SHAREHOLDERS´EQUITY

	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' equity
	Piece	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
As of January 1, 2017	**5,292,983**	**5,293**	**53,500**	**44,997**	**0**	**– 3,056**	**4,483**	**– 27**	**105,190**	**4,887**	**110,077**
Total of expenditures and income directly entered in equity	0	0	0	0	0	207	– 4,267	0	– 4,060	3	– 4,057
Net profit for the year				14,701					14,701	421	15,122
Total income for the period	0	0	0	14,701	0	207	– 4,267	0	10,641	424	11,065
Dividends paid/resolved				– 3,490					– 3,490	– 155	– 3,645
Purchase/sale of minority interests				0					0	20	20
As of December 31, 2017	**5,292,983**	**5,293**	**53,500**	**56,208**	**0**	**– 2,849**	**216**	**– 27**	**112,341**	**5,176**	**117,517**
As of January 1, 2018	**5,292,983**	**5,293**	**53,500**	**56,208**	**0**	**– 2,849**	**216**	**– 27**	**112,341**	**5,176**	**117,517**
Total of expenditures and income directly entered in equity	0	0	0	0	0	0	1,058	0	1,058	– 16	1,042
Net profit for the year				8,520					8,520	345	8,865
Total income for the period	0	0	0	8,520	0	0	1,058	0	9,578	329	9,907
Dividends paid/resolved				– 4,131					– 4,131	– 66	– 4,197
Purchase of own shares				0	0			– 4,770	– 4,770		– 4,770
As of June 30, 2018	**5,292,983**	**5,293**	**53,500**	**60,597**	**0**	**– 2,849**	**1,274**	**– 4,797**	**113,018**	**5,439**	**118,457**

SEGMENTAL REPORT

€ thousand	Isotope Products Q2/2018	Isotope Products Q2/2017	Radiation Therapy Q2/2018	Radiation Therapy Q2/2017	Radiopharma Q2/2018	Radiopharma Q2/2017	Holding Q2/2018	Holding Q2/2017	Elimination Q2/2018	Elimination Q2/2017	Total Q2/2018	Total Q2/2017
Sales to external customers	51,373	39,092	14,272	12,268	15,380	13,450	0	7	0	0	81,025	64,817
Sales to other segments	2,859	1,558	0	36	0	0	2,528	2,851	– 5,387	– 4,446	0	0
Total segment sales	54,231	40,650	14,272	12,304	15,380	13,450	2,528	2,859	– 5,387	– 4,446	81,025	64,817
Segment profit before interest and profit taxes (EBIT)	8,348	5,360	798	1,477	5,273	3,902	– 390	– 495	– 1,228	– 9	12,800	10,234
Interest expenses and revenues	– 153	– 60	– 58	– 70	– 4	– 236	– 44	3	– 2	9	– 261	– 353
Income tax expense	– 2,479	– 1,840	– 68	– 8	– 1,489	– 1,163	0	0	362	0	– 3,674	– 3,011
Results from discontinued operations, net	0	0	0	0	0	3,159	0	0	0	0	0	3,159
Profit before minority interests	5,716	3,459	671	1,400	3,780	5,662	– 434	– 492	– 867	0	8,865	10,029

SEGMENTAL REPORT

€ thousand	Isotope Products Q2/2018	Isotope Products Q2/2017	Radiation Therapy Q2/2018	Radiation Therapy Q2/2017	Radiopharma Q2/2018	Radiopharma Q2/2017	Others Q2/2018	Others Q2/2017	Total Q2/2018	Total Q2/2017
Segmental assets	134,336	131,230	48,697	45,945	29,558	32,144	101,356	99,399	313,947	308,718
Elimination of inter-segmental shares, equity investments and receivables									– 99,725	– 95,425
Consolidated total assets									214,222	213,292
Segmental liabilities	– 75,636	– 72,979	– 14,800	– 12,671	– 14,386	– 15,053	– 2,554	– 4,058	– 107,376	– 104,761
Elimination of intersegmental liabilities									11,611	5,488
Consolidated liabilities									– 95,765	– 99,273
Investments (without acquisitions)	1,202	1,152	1,244	304	910	971	49	52	3,405	2,479
Depreciation	– 2,098	– 1,699	– 1,335	– 871	– 621	– 902	– 128	– 217	– 4,182	– 3,689
Non-cash income (+)/expenses (–)	– 1,556	– 109	– 342	219	1,109	– 1,464	944	321	155	– 1,033

SALES BY REGIONS

	Q2/2018		Q2/2017	
	€ million	%	€ million	%
Europe	39.7	48	28.2	43
North America	26.5	37	25.8	40
Asia / Pacific	7.6	8	5.8	9
Others	7.3	7	5.0	8
Total	**81.0**	**100**	**64.8**	**100**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

These unaudited consolidated interim financial statements as of June 30, 2018, comprise the financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (hereinafter also referred to as "Eckert & Ziegler AG").

2. ACCOUNTING AND MEASUREMENT METHODS

The consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of June 30, 2018, have been prepared in accordance with the International Financial Reporting Standards (IFRS), as were the 2017 annual financial statements. All the standards of the International Accounting Standards Board (IASB), London, applicable in the EU on the reporting date as well as the valid interpretations of the International Financial Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) have been taken into consideration. The accounting and measurement methods detailed in the notes to the 2017 annual financial statements have been applied without any changes.

For the preparation of the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions which affect the amounts and reporting of the assets and liabilities as well as income and expenses recognized. The actual figures may differ from the estimates. Significant assumptions and estimates are made for the useful life and net realizable value of assets, the recoverability of receivables and the recognition and measurement of provisions.

This interim report contains all the necessary information and adjustments that are required to give a true and fair view of the net assets, financial position and results of operations of Eckert & Ziegler AG for the interim report. The results recorded during the current financial year are not necessarily indicative of future results.

3. GROUP OF CONSOLIDATED COMPANIES

The consolidated financial statements of Eckert & Ziegler AG include all companies where Eckert & Ziegler AG is able to directly or indirectly influence the financial and business policies (control concept).

Acquisitions and disposals of companies

We refer to the notes under section 4 for information about acquisitions and disposals of companies.

4. LIMITED COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE PRIOR YEAR

At the start of May 2017, the Executive Board announced its decision to discontinue the Cyclotron unit. The unit produced short-lived radiodiagnostics for oncological and neurological applications. It recorded sales of € 4.8 million and a profit of € 0.5 million in the first quarter of 2017. The business was sold on May 5, 2017. This accounted for a large part of the profit from discontinued operations. Expenses and income were eliminated from the income statement in 2017. The profits and losses are reported in the result from discontinued operations.

The net cash flows from discontinued operations are as follows:
- from operating activities: € 0.0 million (Q2 2017: € 0.9 million),
- from investing activities: € 0.0 million (Q2 2017: € – 0.5 million),
- from financing activities: € 0.0 million (Q2 2017: € 12.2 million).

With effect from May 31, 2017, Eckert & Ziegler Isotope Products Holdings GmbH acquired the main parts of the Gamma-Service Group based in Saxony, Germany. As part of the purchase price allocation, the assets and liabilities acquired were initially recognized in the consolidated balance sheet as of September 30, 2017, in accordance with IFRS 3.45, at provisional values.

This had a material impact on the Group's net assets and results of operations as against the first six months of 2017, impairing the comparability of the consolidated report with the prior year.

5. CURRENCY TRANSLATION

The financial statements of companies outside the euro area are translated based on the functional currency concept. The following exchange rates were used for the currency conversion:

Country	Currency	**Exchange rate 30/6/2018**	Exchange rate 31/12/2017	**Average rate 1/1–30/6/2018**	Average rate 1/1–31/3/2018
USA	USD	1.1658	1.1412	1.2108	1.0824
Czech Republic	CZK	26.0200	26.1970	25.4991	26.7907
Great Britain	GBP	0.8861	0.8793	0.8798	0.8605
Poland	PLN	4.3732	4.2259	4.2198	4.2704
Russia	RUB	4.4876	3.7600	4.1388	3.4395
Brazil	BRL	73.1582	67.5449	71.9347	62.7958
India	INR	79.8130	73.7445	79.4819	71.1561

6. PORTFOLIO OF TREASURY SHARES

As of June 30, 2018, Eckert & Ziegler AG held 129,818 treasury shares. This corresponds to 2.45 % of the company's share capital.

7. MATERIAL TRANSACTIONS WITH RELATED PARTIES

With regard to material transactions with related parties, we refer to the disclosures in the consolidated annual financial statements as of December 31, 2017.

Berlin, July 30, 2018

Dr. Andreas Eckert Chairman of the Executive Board	Dr. Harald Hasselmann Chairman of the Executive Board	Dr. André Heß Chairman of the Executive Board

FINANCIAL CALENDAR

July 31, 2018	Quarterly Report II/2018
November 13, 2018	Quarterly Report III/2018
November 2018	German Equity Forum in Frankfurt

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