ANNUAL REPORT

2021

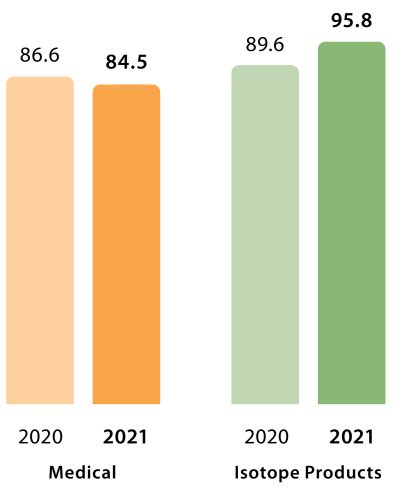
Eckert & Ziegler
Contributing to saving lives

KEY DATA

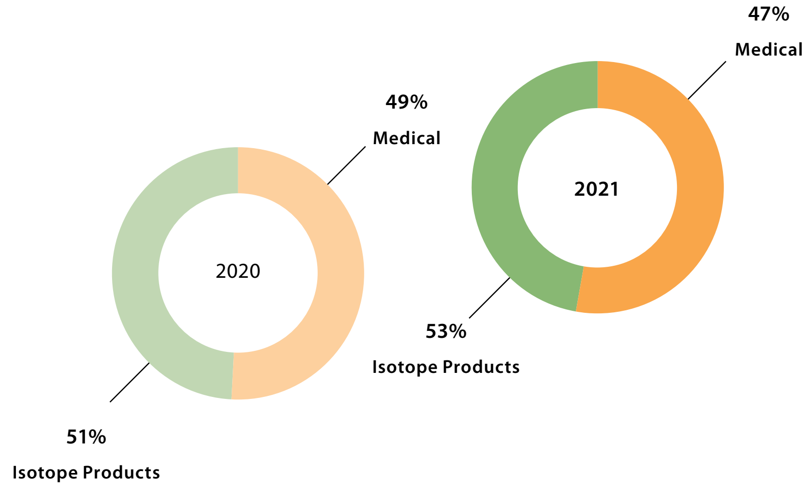
		Change	2020**	2021
Sales and Earnings				
Sales	€ million	+2%	176.1	180.4
EBITDA	€ million	+33%	42.8	57.0
Depreciations	€ million	–10%	10.7	9.6
EBIT	€ million	+48%	32.1	47.4
EBIT margin	%	+37%	19%	26%
Tax rate	%	–18%	31%	25%
Net profit for the year after taxes and minorities	€ million	+52%	22.6	34.5
Earnings per share	€	+62%	1.03	1.67
Cash Flow				
Cash flow from operating activities	€ million	–3%	34.9	33.9
Liquid assets as of 31 December	€ million	+7%	87.5	93.7
Balance				
Shareholders' equity	€ million	+32%	146.4	192.5
Total assets	€ million	+20%	289.4	347.7
Equity ratio	%	+9%	51%	55%
Net liquidity (liquidity minus debts)	€ million	–1%	67.1	66.7
Employees				
Average number of employees	People	+5%	798	840
Number of employees as of 31 December	People	+5%	828	866
Key figures share				
Average number of shares in circulation	Item in million	+1%	20.59	20.70
Book value per share as of 31 December	€	+31%	7.1	9.3
Dividend*	€	+11%	0.45	0.50

* *2021: Dividend to be proposed to the Annual General Meeting by the Group*
** *Adjusted due to restatement; see Notes to the Consolidated Financial Statements; Note 3 "SIGNIFICANT ACCOUNTING POLICIES" on page 72*

SALES TRENDS BY SEGMENTS
in € million



SALES BY SEGMENTS
in %



CONTENT

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

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MANAGEMENT

LETTER TO THE SHAREHOLDERS

DEAR SHAREHOLDERS,

the fixation of reporting on a calendar year forces a process of reflection every spring, regardless of whether or not the calendar year actually represents the most meaningful time period for describing conditions and developments. From this perspective, 2021 can only be seen as a record year in which annual profit and cash flow exceeded all previously achieved marks. If, on the other hand, one follows the idea that the global Corona pandemic and now the invasion into Ukraine overlay the calendar with a logic of their own, one would rather describe the financial year 2021 as an exercise in exceptional circumstances.

Just as in previous years, the exceptional situation in 2021 was characterised by an inflow of cash that the Executive Board would have considered improbable a few years ago. The reason for what the Group sees as a miraculous glut of cash was the surge in demand for pharmaceutical radioisotopes as well as for services and equipment for the production of radiopharmaceuticals since the end of 2018. It gained momentum after a number of small radiopharmaceutical development companies were bought by large multinational pharmaceutical companies. The billions paid triggered a tsunami of financing rounds and IPOs for start-ups and imitators that

Dr Andreas Eckert
Chairman of the Executive Board

> *After the record year 2021, we feel well positioned with the investment programme to defend and expand our strong position in the global isotope business over the coming years.*

stimulated the industry. Suddenly everyone was demanding contract manufacturers for labelling and contract developers, gallium generators and yttrium-90. Eckert & Ziegler delivered. Since then, the group has had a second source of income, which during the Corona pandemic was even more stable than the basic industrial business.

If we exclude the financial disruptions of the Corona pandemic to simplify the situation, the revenues and profits generated with the radiopharmaceuticals and the basic business in 2021 did not differ significantly from those of 2020 and 2019. Although sales and profits grew steadily compared to the same quarters of the previous years, the total for the Group as a whole was never so strong that it would have been enough for the double-digit jump in profits from € 22 million in 2020 to just under € 35 million in 2021, meaning more than 60%. The spectacular rise in profits above the 30 million threshold was achieved only due to the lucrative sale of the tumour irradiation device division in March 2021. Insofar, the award of the year goes to the team that made this transaction happen.

Since a division can usually only be sold once, this special income may be seen as not sustainable in the eyes of some observers. Such a critical opinion ignores the fact that one-off effects already strengthened the earnings situation in 2020. And the year before that, too. And even before that. Life, it could be argued, is generally a sequence of one-off effects. This is particularly true for Eckert & Ziegler. If you look through the annual reports of the last twenty years, you will see that, paradoxically, extraordinary income has always made a lasting contribution to the annual result. Before the sale of the tumour device division it was the sale of our Belgian production site, before that the sale of OPS, IRT, cyclotrons, the Russian rights to production facilities and much more.

Why was that? – Perhaps it was because the group was never afraid to divest assets when revenue expectations were not fulfilled. Growth for growth's sake was never the objective. As cautious businessmen were at the helm and never aggressive in their accounting, the sale of assets was almost always accompanied by capital gains. The tragedy of divesting divisions was not any losses, but the fact that we had concentrated valuable management talent on too small opportunities for too long.

The group has now received considerable funds from the restructuring activities, the basic business and the new radiopharmaceuticals division since 2019. At the beginning, the board partly did not know what to do with the money. Some of it went into a share buyback programme in 2018, which largely paid for itself. It was one of the best financial investments in the history of the group. Other sums went into higher dividends, again in 2021. The bulk of the inflows were stored because it took time to plan and implement a sensible investment programme. As the doubling of productive fixed assets (defined as the sum of the balance sheet items "other intangible assets", "property, plant and equipment" and "shares in associated companies or joint ventures") shows, we made considerable progress in the 2021 financial year. We were able to invest € 50 million in new sites (Boston, Jintan), capacities (yttrium-90 and gallium-68) and products (lutetium-177 and Pentixapharm).

The value of the operating assets will at least double again from the current level of approximately € 100 million by 2024. The Group's main objective is to create additional capacity and to further internationalise beyond the European Union. In the industrial segment, the majority of employees already work overseas, while in the medical segment there is a need to catch up. If the market for radiopharmaceuticals develops as expected, it will no longer be enough to be the top dog on the old continent. Globally positioned pharmaceutical companies require globally positioned suppliers. Ideally, suppliers who produce locally in all regions from modular units and who are constructed in the same way everywhere, so that licensing authorities can regard them as identical and, in an emergency, as interchangeable. Eckert & Ziegler will build up such redundant production capacities, especially in Asia. But also in Berlin. There, in 2021, we were able to conclude a leasehold agreement for a large, well-located plot of land near our headquarters, on which we also want to create additional laboratory and production capacities in the following years.

The second focus of the investment programme is to broaden our range of pharmaceutical isotopes. It is not enough to be the world leader in gallium-68 and yttrium-90; the therapeutic agents lutetium-177 and actinium-225 also belong at least in the programme. As we realised painfully, this will not happen overnight. It will take years before a complete value chain, from the starting material to the licensed site to the plants and equipment, is ready for operation and approved. In 2022, we expect to receive the so-called Drug Master File for lutetium-177, a sales licence that will make us a full-value player in the US, especially because we will be able to offer the related products and services from our new East Coast site in Boston. With the acquisition of Argentina's Tecnonuclear in early 2022, we have also been able to secure a foothold in the second major nuclear medicine imaging market, scintigraphy based on single-photon emission computed tomography (SPECT). Although the procedure surpasses all other nuclear medicine imaging in terms of the number of cameras installed and diagnoses made with them, SPECT has long been overshadowed by positron emission tomography (PET) in terms of growth dynamics. We suspect that the technological advances that are driving PET will also benefit SPECT and we are ready to become involved. The financial resources we need for new products are definitely available. Our net liquidity reached a comfortable €90 million at the end of the year.

A final focus of the investment programme was on the development of our own medicines and the vertical integration of further stages of the value chain. Here we are proceeding cautiously. Although the development of patent-protected drugs is lucrative, it can only be pursued on a probabilistic basis, and thus in a convoy, due to the costs and the high risks of failure in the long term. Usually, the business is only suitable for venture capital funds that send out many small independent start-ups and compensate the failure costs of all the others with one success, or for large pharmaceutical companies that limit their risks in a similar way via diversified internal portfolios. Eckert & Ziegler is (still) too small for the latter, but as a start-up it is too big and already too established. The commitment to Pentixapharm should therefore be understood as an opportunity admixture, which we afford also because we can finance it. It does not yet initiate a strategic turn towards an independent pharmaceutical company.

As you can see: many things are in flow, everything is exciting. After the record year 2021, we feel well positioned with the investment programme to defend and expand our strong position in the global isotope business over the coming years. As always, we would be delighted if you, as shareholders, would accompany us on this journey.

Sincerely,

Andreas Eckert

DR ANDREAS ECKERT
Chairman of the Executive Board


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GROUP EXECUTIVE COMMITTEE

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

1 | DR ANDREAS ECKERT
Chairman of the Executive Board

Dr Eckert studied economics and social science in Heidelberg, New York and Berlin. After completing his PhD, he represented the Secretary-General as Information Officer for the United Nations in New York, Latin America, Asia and Africa. Dr Eckert returned to Berlin after German reunification and worked as an independent management consultant. He then founded Eckert & Ziegler Strahlen- und Medizintechnik AG as well as other technology companies that are predominantly involved in the life science sectors.

2 | DR LUTZ HELMKE
Member of the Executive Board – Medical Segment

Dr Helmke studied Mathematics and Chemistry at FU Berlin. After graduating from Radio Chemistry studies and receiving his PhD, he switched to Medical Technology and started his career in the marketing department of Biotronik. After that, he held various management positions at Abbott, St. Jude Medical, and most recently MagForce over a period of 25 years. As the head of various task forces within the German Federal Association for Medical Technology, Dr Helmke also gained a wide range of experience in market launches and the reimbursement aspects of medical products. Member of the Executive Board since September 2018.

3 | DR HARALD HASSELMANN
Member of the Executive Board – Medical Segment

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

4 | CLAUDIA GOULART
Member of the Group Executive Committee – Isotope Products Segment

After completing her studies in Economics and a post-graduation in Psychology, Mrs. Goulart worked in executive-level positions at Brazilian and International Corporations. Since 2003 she has served as President and CEO for Healthcare companies in Brazil and Latin America. She has also been appointed a member of the Board of Directors for multiple Brazilian corporations. In May 2018 she joined Eckert & Ziegler as General Manager of the Brazilian Subsidiaries.

5 | DR GUNNAR MANN
Member of the Group Executive Committee – Intragroup Services

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

6 | FRANK YEAGER
Member of the Group Executive Committee – Isotope Products Segment

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

7 | JOE HATHCOCK
Member of the Group Executive Committee – Isotope Products Segment

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

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

In fiscal year 2021, the Supervisory Board properly fulfilled the tasks incumbent upon it according to the law, the Articles of Association, and the rules of procedure. It continuously monitored the Executive Board and advised it on its corporate management activities. The Supervisory Board was directly involved in all decisions of fundamental importance to the company.

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

The Chairman of the Executive Board also regularly informed the Chairman of the Supervisory Board outside the Supervisory Board's meetings about current developments and significant business transactions. Moreover, the Chairman of the Supervisory Board and the Chairman of the Executive Board liaised on a regular basis on issues related to strategy, planning, general business development, the risk situation, risk management, and compliance. A total of six Supervisory Board meetings took place during the period under review. The Remuneration Committee and the Audit Committee each convened 3 times during the reporting period. If necessary, the Supervisory Board also issued authorizations by written procedure. Resolutions of fundamental importance were either passed on the basis of relevant documentation or after direct discussions with the Executive Board. The participation at the meetings of the Supervisory Board, the Remuneration Committee and the Audit Committee was 100%. The following table shows the individualized participation.

OVERVIEW OF THE MEMBER PARTICIPATION IN SUPERVISORY BOARD AND COMMITTEE MEETINGS FOR THE FISCAL YEAR 2021

	Plenary Sessions of the Supervisory Board			Audit Committee			Remuneration Committee		
	Attendance	Meetings	Participation	Attendance	Meetings	Participation	Attendance	Meetings	Participation
Prof Dr Wolfgang Maennig (Chairman)	6	6	100%						
Prof Dr Helmut Grothe (Deputy Chairman)	6	6	100%	3	3	100%			
Dr Edgar Löffler	6	6	100%	3	3	100%	3	3	100%
Frank Perschmann	6	6	100%	3	3	100%	3	3	100%
Albert Rupprecht	6	6	100%	3	3	100%			
Jutta Ludwig	6	6	100%						
Total			**100%**			**100%**			**100%**

KEY TOPICS
ADDRESSED BY THE SUPERVISORY BOARD

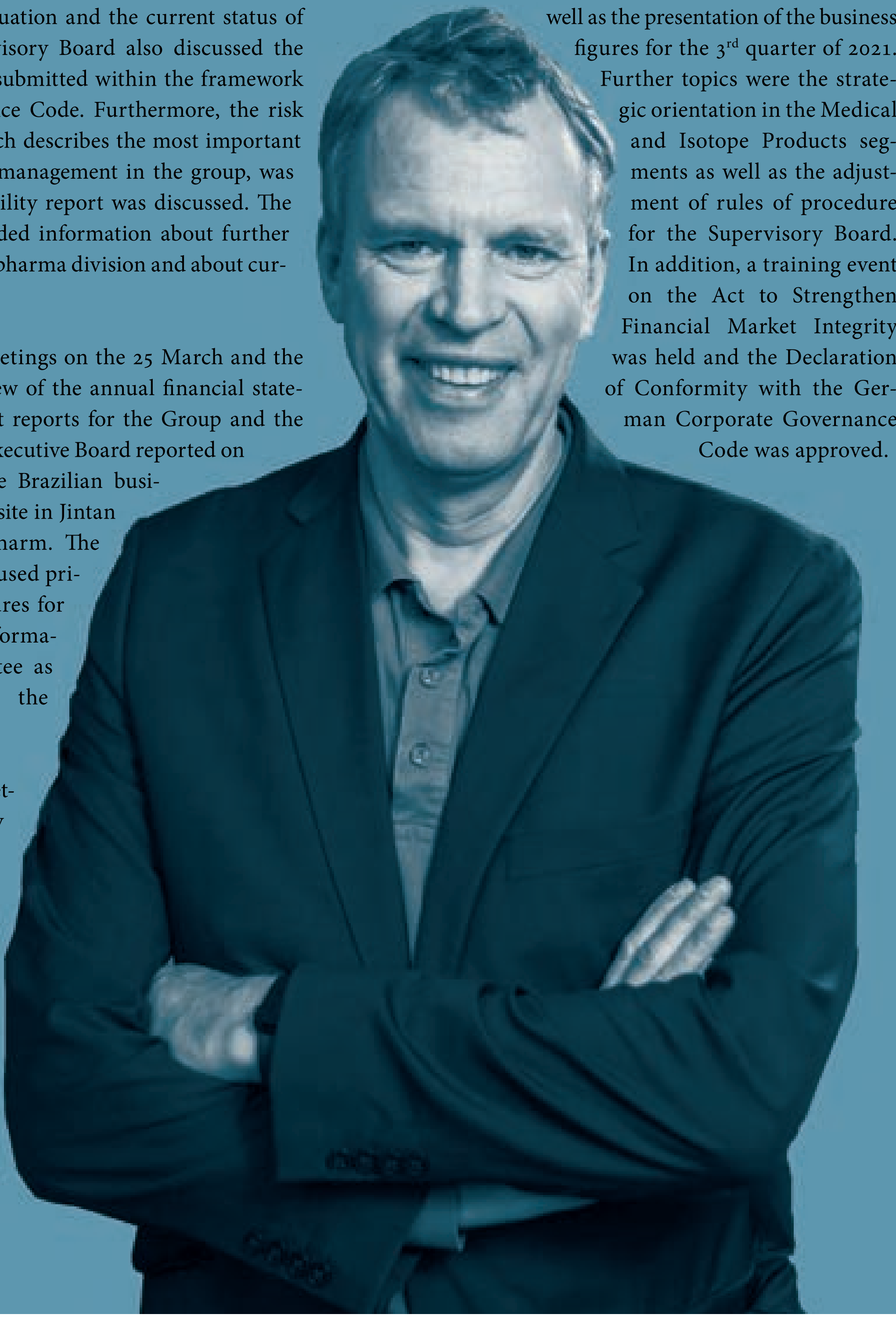
The following key topics formed the focus of the individual Supervisory Board meetings:

At the meeting on January 19, 2021, the Executive Board mainly reported on the preliminary key figures for the fiscal year 2021, the economic situation and the current status of major projects. The Supervisory Board also discussed the declaration on compliance submitted within the framework of the Corporate Governance Code. Furthermore, the risk report of the company, which describes the most important risk positions and the risk management in the group, was approved and the sustainability report was discussed. The Executive Board also provided information about further steps in China for the Radiopharma division and about current development projects.

The main subject of the meetings on the 25 March and the 14 April 2021 was the review of the annual financial statements and the management reports for the Group and the company. In addition, the Executive Board reported on the economic situation, the Brazilian business, the planned company site in Jintan (China), and on PentixaPharm. The meeting on 2 June 2021 focused primarily on the business figures for the 1st quarter of 2021, the formation of an Audit Committee as well as preparations for the Annual General Meeting.

The Supervisory Board meeting on 10 August 2021 mainly discussed the business figures for the 2nd quarter of 2021 and ongoing projects, including the expansion projects at the Berlin and Dresden sites. The tasks of the Audit Committee were also determined.

The focus of the meeting on 29 October 2021 was the presentation and approval of the budget for the 2022 financial year as well as the presentation of the business figures for the 3rd quarter of 2021. Further topics were the strategic orientation in the Medical and Isotope Products segments as well as the adjustment of rules of procedure for the Supervisory Board. In addition, a training event on the Act to Strengthen Financial Market Integrity was held and the Declaration of Conformity with the German Corporate Governance Code was approved.



Prof Dr Wolfgang Maennig
Chairman of the Supervisory Board

COMMITTEE ACTIVITIES

Remuneration Committee

The members of the Remuneration Committee are:

- Dr Edgar Löffler
- Frank Perschmann

The Remuneration Committee met three times during the reporting period and mainly dealt with the contracts of the Executive Board members. For this purpose, the Remuneration Committee prepared the resolutions of the Supervisory Board on the determination of the performance criteria and the targets for the variable remuneration, the determination and review of the appropriateness of the Executive Board remuneration and the approval of the remuneration report. The Supervisory Board's resolution on the adjustment on the remuneration system for the Executive Board was prepared.

Audit Committee

The members of the Audit Committee are:

- Frank Perschmann (Chairman)
- Prof Dr Helmut Grothe
- Dr Edgar Löffler
- Albert Rupprecht

The Audit Committee met three times in the financial year 2021. The meetings focused in particular on monitoring the accounting process and on issues relating to the effectiveness of the internal control system and its further development, the effectiveness of the risk management system, and the internal audit system.

CORPORATE GOVERNANCE PRINCIPLES

In the period under review, the Supervisory Board continued to deal with the further development of the standards of good and responsible corporate governance, taking into account the German Corporate Governance Code as amended on February 7, 2017. On December 3, 2021, the Executive Board and the Supervisory Board issued a new Declaration of Conformity with the German Corporate Governance Code. Additional details regarding Corporate Governance are available in the Group's Corporate Governance Report, which is published on the Group's website in connection with the Declaration on Compliance. In the period under review, there were no conflicts of interest among members of the Supervisory Board.

EFFICIENCY REVIEW

The Supervisory Board regularly evaluates how effective it is as a body as a whole and how its committees perform their duties. A comprehensive review was conducted in October 2021. The results were discussed by the Supervisory Board in January 2022. No significant deficiencies were identified. The next review is planned for the current financial year.

TRAINING AND CONTINUING EDUCATION

The members of the Supervisory Board are responsible for the training and continuing education measures required for their tasks, such as on changes in the legal framework, and are supported in this by the company. In the reporting year, an internal seminar took place on the topic of balance sheet control in accordance with the Financial Market Integrity Strengthening Act (FISG), which came into force in July 2021.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS 2021

The annual financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial statements of the Eckert & Ziegler Group, and the management reports were audited, together with the accounting system, by the auditors appointed by the Annual General Meeting for fiscal year 2021, BDO AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany. The auditor has concluded that all legal requirements have been met and has granted an unqualified auditor's opinion. Furthermore, the auditor has concluded that the Executive Board has implemented the measures incumbent upon it pursuant to Section 91 (2) of the German Stock Corporation Act (Aktiengesetz, AktG) regarding the establishment of a risk-monitoring system in a suitable form and that this system is suitable for the early detection of developments that endanger the continued existence of the company as a going concern. In regard to the report presented by the Executive Board on the company's relationships to affiliated enterprises in accordance with Section 312 AktG (affiliated company report), the auditor has confirmed that the statements made in the report are correct and that the payments made by the company for the legal transactions listed in the report were not inappropriately high.

The annual financial statements, including the affiliated company report and the auditor's audit report, were submitted to the Supervisory Board. A representative of the auditor took part in the Supervisory Board's balance-sheet meetings on 24 and 29 March 2022 and reported on the key findings of the audit. The Supervisory Board acknowledged and approved the auditor's results.

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

ACKNOWLEDGMENT

The Supervisory Board would like to thank the Executive Board and all employees for their outstanding performance in the financial year 2021.

Berlin, March 2022
For the Supervisory Board

PROF DR WOLFGANG MAENNIG
Chairman of the Supervisory Board

SUPERVISORY BOARD

Prof Dr Wolfgang Maennig
Chairman of the Supervisory Board
Berlin

Prof Dr Helmut Grothe
Deputy Chairman of the Supervisory Board
Wandlitz

Frank Perschmann
Berlin

Albert Rupprecht, MdB
Waldthurn

Jutta Ludwig
Hamburg

Dr Edgar Löffler
Berlin

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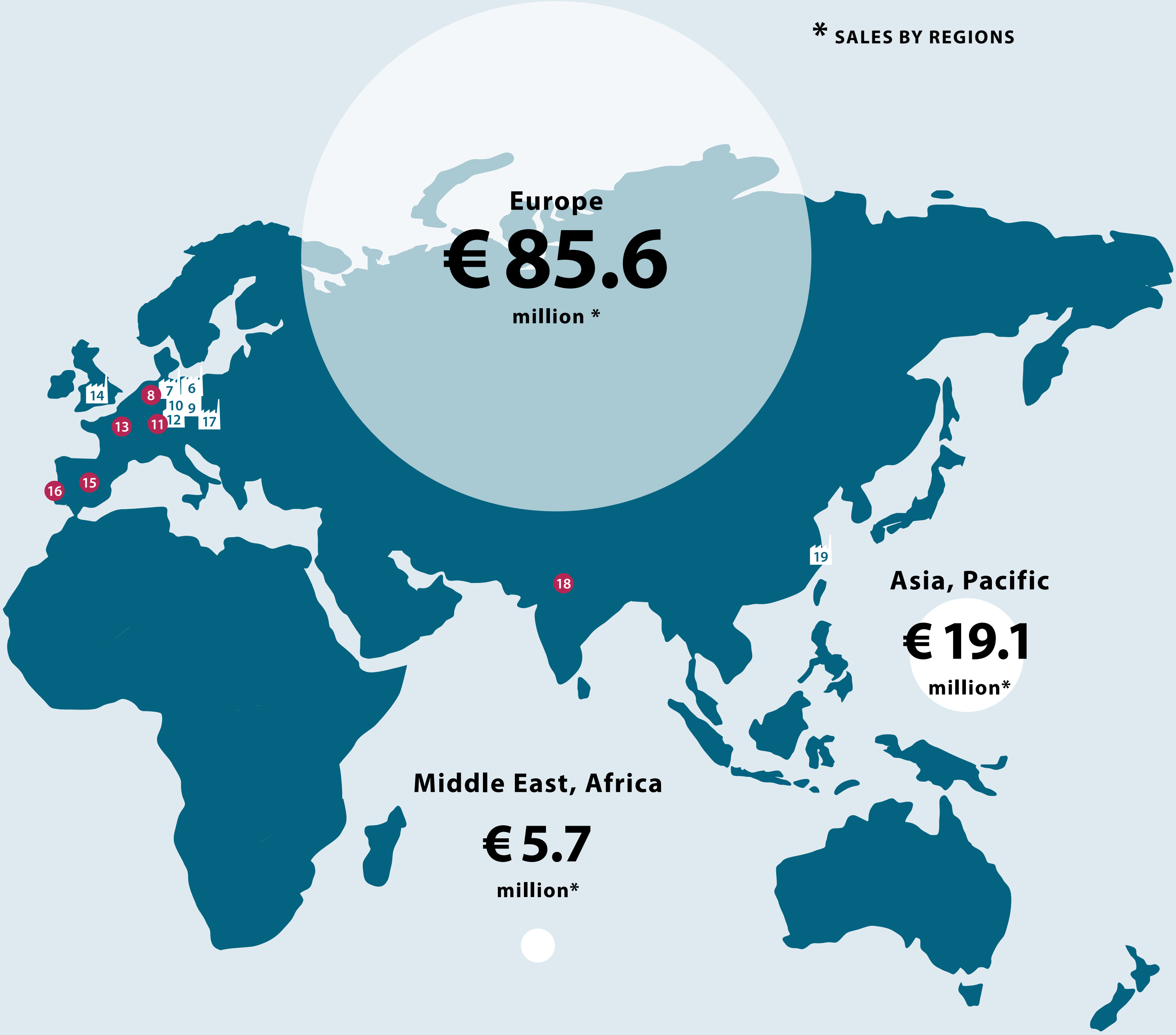
COMPANY

LOCATIONS

NORTH-/SOUTH-AMERICA

- 1 Los Angeles, California, USA
- 2 Atlanta, Georgia, USA
- 3 Wilmington, Massachusetts, USA
- 4 Buenos Aires, Argentina
- 5 São Paulo, Brazil



EUROPE

- 6 Berlin, Germany (head office)
- 7 Brunswick, Germany
- 8 Dusseldorf, Germany
- 9 Dresden, Germany
- 10 Leipzig, Germany
- 11 Wuerzburg, Germany
- 12 St Gangloff, Germany
- 13 Paris, France
- 14 Didcot, Great Britain
- 15 Madrid, Spain
- 16 Lisbon, Portugal
- 17 Prague, Czech Republic

ASIA AND REST OF WORLD

- 18 New Delhi, India
- 19 Jintan, China

production site

distribution site

MILESTONES 2021

TECHNETIUM-99 DELIVERY IN BRAZIL

Eckert & Ziegler has started the delivery of Technetium-99 generators in Brazil. The subsidiary Eckert & Ziegler Brasil Comercial Ltda. had recently received a license from the Brazilian health authority ANVISA as the first and only private company to import and distribute technetium generators. Two leading hospitals in the greater São Paulo area are among the first customers, and further orders have already been placed.

PENTIXAFOR TO START DIRECTLY IN PHASE III STUDY

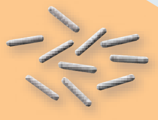
PENTIXAPHARM GmbH, an associate of Eckert & Ziegler, has received confirmation from the European Medicines Agency (EMA) that its lead candidate PENTIXAFOR may be tested directly in a phase III clinical study. The agency said that there are “sufficient safety data available to initiate a phase III trial” for the gallium-68 labelled radiodiagnostic which detects CXCR4-positiv solid tumors and CXCR4-positive hematological malignancies.

AWARD FOR EXCELLENT TRAINING QUALITY

For the second time in a row, Eckert & Ziegler is awarded by the Berlin Chamber of Industry and Commerce (IHK) for the special quality of its training and receives the seal of approval for “Excellent Training Quality”.

MANUFACTURING AUTHORIZATION FOR THORIUM AND LUTETIUM COMPOUNDS

The Lower Saxony authorities have granted manufacturing authorization under the Medicines Act for several thorium and lutetium preparations. This authorization enables Eckert & Ziegler to supply its customers in the pharmaceutical industry with therapeutic radioisotopes for clinical trials and beyond. The radioisotopes are the central active ingredients in a series of innovative cancer drugs that are currently being tested in advanced phases by numerous drug manufacturers.



REIMBURSEMENT

Seed implantation for prostate cancer is now to be reimbursed as an outpatient treatment by public health insurances in Germany. This was decided by the Federal Joint Committee with effect from January 8, 2021.

CGMP FACILITY FOR RADIOPHARMACEUTICAL SERVICES IN USA

The production site in Wilmington just north of Boston, Massachusetts has been expanded with a new production facility for the contract manufacturing of radiopharmaceuticals.

LONG-TERM SUPPLY AGREEMENT WITH SIRTEX MEDICAL ON YTTRIUM-90 FOR TREATING LIVER CANCER

The long-term supply agreement for the use of EZAG's yttrium-90 in Sirtex SIR-Spheres®Y-90 resin microspheres for liver cancer has an initial term of five years and guarantees Eckert & Ziegler a substantial share of Sirtex's rising global demand.

EXCLUSIVE DISTRIBUTION RIGHTS FOR PROSTATE CANCER DIAGNOSTIC FROM TELIX PHARMACEUTICALS

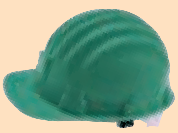
Australian Telix Pharmaceuticals (Telix) grants Eckert & Ziegler exclusive distribution rights for Illuccix® in Germany. Illuccix® is a preparation for imaging prostate cancer with positron emission tomography (PET), currently under review for regulatory approval in multiple markets worldwide, including Germany. In addition, the two companies will work closely together on the commercialization of GalliaPharm® (68Ge/68Ga generator) and Illuccix® in the United States.

TECHNETIUM GENERATORS IN BRAZIL

The Brazilian Health Authority has granted Eckert & Ziegler a license to import and distribute technetium generators. This is the second license ever granted for this product in Brazil and the first to be granted to a private company.

NEW PRODUCTION FACILITY FOR RADIOISOTOPES IN CHINA

Eckert & Ziegler is planning to build a new production facility for radiopharmaceuticals and radioisotopes in Jintan (China).



ACQUISITION IN BRAZIL

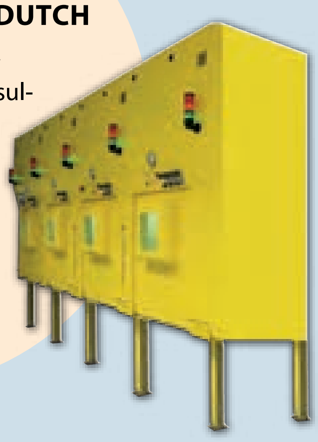
The takeover of Ambientis Radioproteção, based in São Paulo, Brazil, strengthens Eckert & Ziegler's presence in South America. The business with annual sales in the low single-digit million range and 24 employees have been integrated into EZBIS's Special Transportation Business Unit. Ambientis has 25 years of experience in radiation protection services and holds Brazil's and LATAM's only ISO-17025 certified counting laboratory.

MYELO THERAPEUTICS RECEIVES ADDITIONAL FUNDING FOR PHARMACEUTICAL DEVELOPMENT

Myelo Therapeutics GmbH, an affiliated company of Eckert & Ziegler, has received additional funding from NIAD, a branch of the U.S. Food and Drug Administration, for the development of its drug component Myelo001.

ORDER FOR HOT CELL CONSTRUCTION FROM DUTCH RESEARCH CENTER

The Nuclear Research and Consultancy Group (NRG) in Petten (NL), a world-leading research institute to produce radiopharmaceuticals, orders hot cells worth several million euros to be constructed by Eckert & Ziegler.



APPROVAL OF GALLIUM-68 GENERATOR FOR BRAZIL

The Brazilian health authority ANVISA has granted market authorization for the pharmaceutical $^{68}Ge/^{68}Ga$ generator GalliaPharm®. GalliaPharm® is thus the first and currently the only pharmaceutical gallium generator approved in Brazil.

MAJORITY STAKE IN DRUG DEVELOPER PENTIXAPHARM

Eckert & Ziegler acquires several share packages from the founders of the drug developer Pentixapharm GmbH. Together with another internal share transfer, Eckert & Ziegler will directly hold a total of about 83% of the shares in the Würzburg-based company as of closing of the transactions.

PentixaPharm
An Eckert & Ziegler Company

DIVESTING FROM TUMOUR IRRADIATION BUSINESS

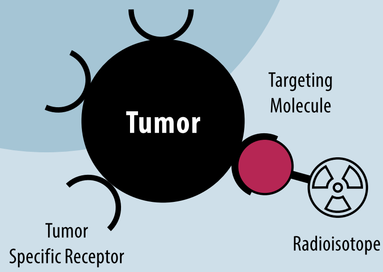
Eckert & Ziegler divest its tumour radiation equipment (HDR) business. As a first step, it has sold 51% of the shares in BEBIG Medical GmbH, into which it had transferred the HDR business, to the Chinese company TCL Healthcare Equipment (TCL) in Shanghai.

NANTES UNIVERSITY HOSPITAL DOSES FIRST PATIENTS WITH NOVEL GA-68 IMAGING AGENT

The Centre Hospitalier Universitaire de Nantes has started to dose first patients with PENTIXAFOR, an innovative imaging compound for the initial staging of cancer patients with symptomatic multiple myelomas. The Ga-68 based radio-diagnostic promises to significantly improve the patient management for early forms of the disease by identifying the optimal therapeutic alternative.

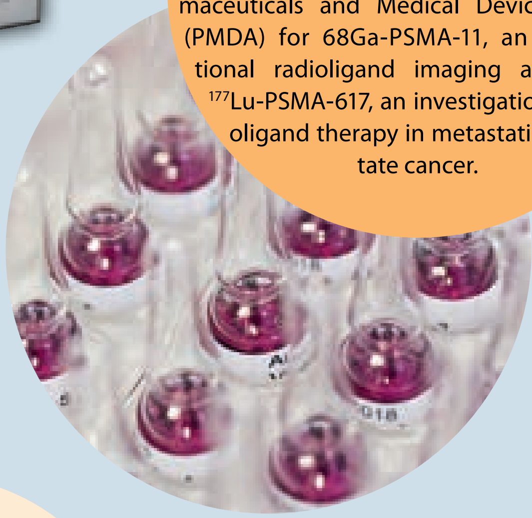
COOPERATION WITH CANADIEN UNIVERSITY HEALTH NETWORK AND CANPROBE

The partnership involves clinical research to further advance PentixaPharm's Ga-68 radiodiagnostic tracer PENTIXAFOR in its detection of different tumour entities and other diseases.



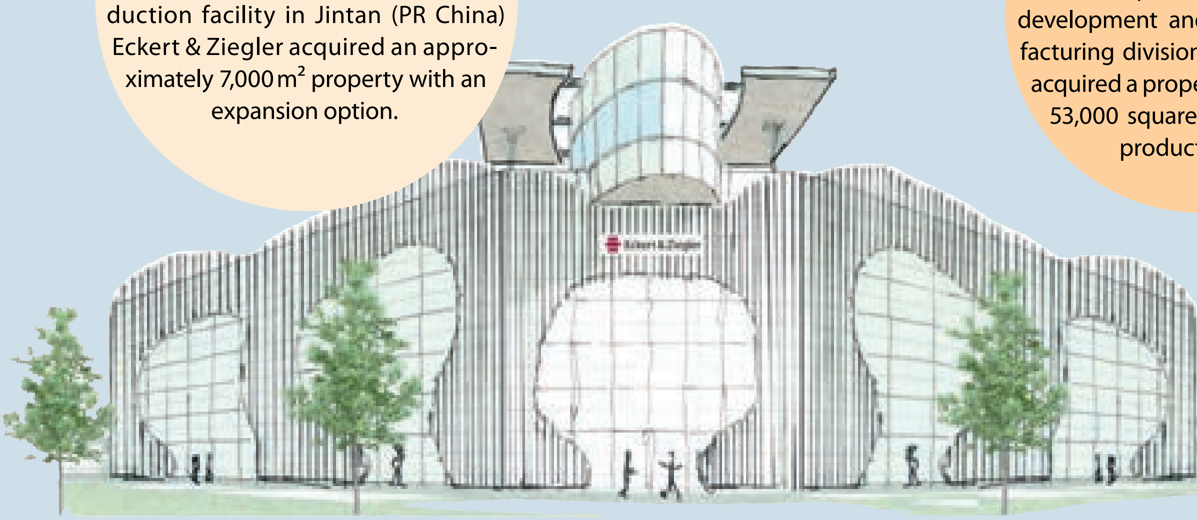
CLINICAL TRIAL IN JAPAN

Clinical Trial Notification (CTN) of a joint clinical study with Novartis Pharma K.K. (Japan) was accepted by the Japanese Pharmaceuticals and Medical Devices Agency (PMDA) for 68Ga-PSMA-11, an investigational radioligand imaging agent and ^{177}Lu-PSMA-617, an investigational radioligand therapy in metastatic prostate cancer.



PROPERTY FOR RADIOPHARMACEUTICAL PRODUCTION SITE IN CHINA

For the building of its Chinese production facility in Jintan (PR China) Eckert & Ziegler acquired an approximately 7,000 m² property with an expansion option.



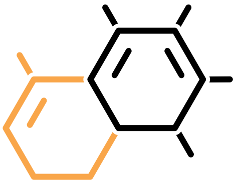
NEW PRODUCTION CAPACITIES IN BERLIN

For the expansion of its contract development and contract manufacturing division, Eckert & Ziegler acquired a property in Berlin with 53,000 square feet (5,000 m²) production hall.

GLOBAL SPECIALIST FOR NUCLEAR MEDICINE

PIPELINE:
CLINICAL ASSETS

Candidates that are in various stages of clinical development: PentixaFor, a Ga-68-based cancer diagnostic, and Myelo001, an adjuvant cancer therapeutic for the treatment of chemotherapy- and radiotherapy-induced myelosuppression.



CLOSE TO CUSTOMER:
GLOBAL PRESENCE

Short half-lives of some radioisotopes require close customer proximity. Thanks to global and redundant production sites in Europe, USA, South America and China Eckert & Ziegler offers short distances to international pharmaceutical companies and their sales markets.

GalliaPharm®
^{68}Ge/^{68}Ga radionuclide generator for the radioactive labeling of different carrier molecules in vitro

Radiopharmaceuticals will experience a rapid boom in the coming years. Outstanding research in diagnostics and therapy, as well as a large number of radiopharmaceutical agents in advanced stages of clinical development, will benefit many patients.

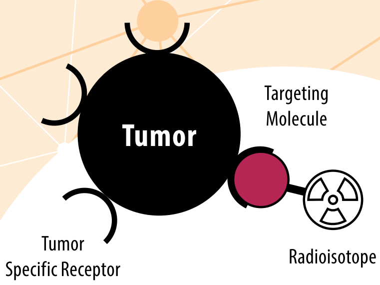
PROF DR KEN HERMANN, MEDICAL DIRECTOR OF THE CLINIC FOR NUCLEAR MEDICINE AT ESSEN UNIVERSITY HOSPITAL

WELL POSITIONED: SPECT

Eckert & Ziegler is a manufacturer of SPECT diagnostics, consisting of Technetium-99 generators and a portfolio of related biomolecules. SPECT diagnostics are the most commonly used class of nuclear medicine products for the detection of cancer and cardiovascular anomalies.

ALL FROM A ONE-STOP SHOP: FULL-SERVICE PROVIDER

Eckert & Ziegler is a full-service provider for radiopharmaceuticals. The company offers radiopharmaceutical services and products at its sites worldwide, from early development to its commercialization.



GROWING MARKET PRECISION ONCOLOGY

Eckert & Ziegler produces radioisotopes for cancer drugs, which are used in precision oncology. The precision oncology is considered to be a growth field within nuclear medicine: the market for nuclear medicine is expected to grow by up to 400% to 30 billion US dollars[1] by 2030. Radiolabelled therapeutics in particular are expected to drive the growth in this sector.

MICROINVASIVE RADIOEMBOLIZATION

Eckert & Ziegler is the main supplier of Y-90 for SIRTEX Medical Ltd, a global provider of microspheres for the radioactive treatment for inoperable liver cancer. In February 2021, the renowned British National Institute for Health and Care Excellence (NICE) issued a positive recommendation for the treatment of advanced liver cancer with SIR-Spheres® Y-90 microspheres.

> 900,000

LIVER CANCER PATIENTS ANNUALLY WORLDWIDE

[1] *MEDraysintell Marketed Radiopharmaceuticals Report & Directory, Edition 2020*

[2] *Globocan, 2020*

Level measurements of liquids and bulk materials in silos or tanks are often carried out with measurement technology that contains a sealed radioactive source.

In paper production, for example, the grammage of the paper must be continuously monitored and readjusted if necessary in order to deliver the required quality. With running paper rolls without touching the material, this measuring task can often only be carried out reliably by means of ionising beams. For this purpose, measuring devices using a krypton-85 source are often used.

Radiometric measurements are used wherever a robust and reliable measuring method is needed and where other methods are not suitable due to extreme process conditions or mechanical, geometric and structural conditions.

RALF MATTHAES, HEAD OF BUSINESS DEVELOPMENT
ENDRESS + HAUSER SE + CO. KG

Returned radiation sources are checked for their reusability. Recovered radioactive materials are returned to the production cycle. This reprocessing of waste shows how well recycling concepts work.

Security checks at airports often use low-level radioactive sources to detect extremely small traces of explosives or drugs.

When new oil or gas fields are discovered, it is due, among others, to the use of a radioactive measuring source in the drill head, with which the geological formations are analysed during the drilling process. The radiation sources, which are only about 8 cm small, have to be very robust to withstand the extreme pressure and high temperatures in deep-lying geological layers.

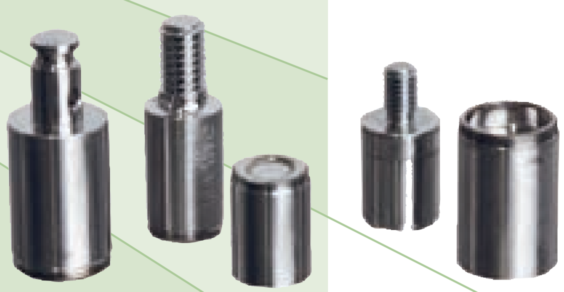
> 900

different types of sealed radiation sources for various applications within measurement and control technology are produced by Eckert & Ziegler.

LEADING SPECIALIST FOR SEALED SOURCES IN THE INDUSTRY

MEASURING WITHOUT TOUCHING USING RADIOMETRY

Eckert & Ziegler is one of the world's leading manufacturers of radiation sources for radiometry. Radiometric measurements for industrial processes are an important part of performing non-contact measuring of level, density and thickness.



Radiation sources used for radiometric measurement of density, thickness and level in industrial processes

12.7 mm

Diameter of a sealed krypton-85 radiation source, which is inserted into a measuring device for determination of the paper grammage.

PRODUCTS

ISOTOPE PRODUCTS SEGMENT

Eckert & Ziegler is one of the world's leading manufacturers of radiation sources for imaging, measurement technology, quality assurance and environmental monitoring. The product range extends from calibration sources for advanced medical imaging systems to radiation sources for materials analysis, homeland security, and radiometric level measurements.

REFERENCE SOURCES

Reference sources for the calibration and checking of radiation measurement instruments

FLOOD SOURCE

Perflexion™: A unique flexible radiation source used in the calibration of nuclear medicine imaging equipment

MEDICAL IMAGING SOURCE

Calibration source used to ensure accurate results in positron emission tomography (PET) scans

GAMMA IRRADIATION DEVICE

Biobeam GM for gammairradiation of blood and blood components in transfusion medicine

INDUSTRIAL SOURCES

Radiation sources used for radiometric measurement of the density, thickness and level in industrial processes

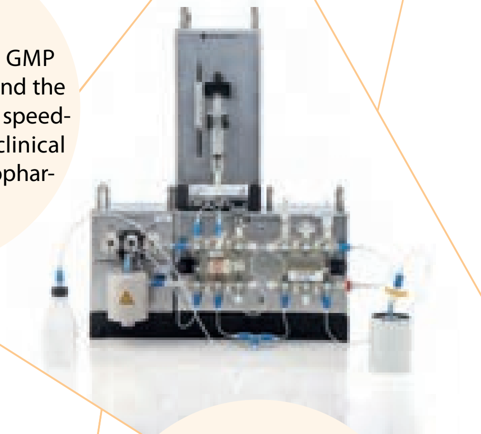
Tc-99m GENERATOR

SPECT diagnostics for the detection of cancer and cardiovascular diseases

RADIOSYNTHESIS SYSTEM
KitLab: Fully automated device for safe processing of PET kits

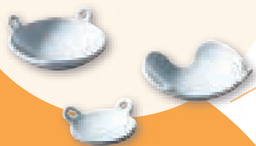
CONTRACT MANUFACTURING
Carrying out manufacturing steps and processes for customers in the pharmaceutical industry and beyond

GMP SUITES
Global network of GMP suites in Europe, Asia, and the Americas to derisk and speed-up pre-clinical and clinical development of radiopharmaceuticals

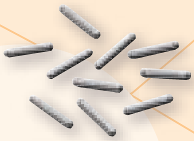


RADIOISOTOPES
A wide range of radiopharmaceuticals and radiochemicals for medical and research applications

OPHTHALMIC APPLICATORS
Ru-106 applicators for treating eye cancer



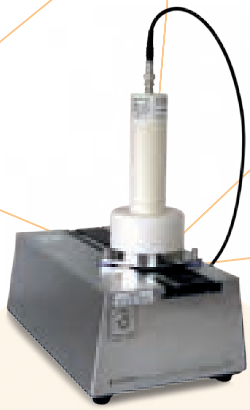
SYNTHESIS SYSTEM
Modular-Lab PharmTracer: Cassette-based synthesis system for radiopharmaceutical development and personalized dose production



SEEDS
Low dose radiation iodine seeds (IsoSeed®) for treatment of prostate, brain and eye cancer

MEDICAL SEGMENT

Eckert & Ziegler is one of the world's leading manufacturers of radioactive components for diagnosis and therapy of cancer. The products are used in nuclear medicine and radiotherapy. Radiopharmaceuticals, laboratory equipment, hot cells and services for radiopharmaceuticals as well as eye applicators and prostate implants are part of the portfolio.



PLANT ENGINEERING
Customized solutions for manufacturing and handling of radioactive materials in hospitals, research centers and industry

QUALITY CONTROL DEVICE
MiniScan*PRO*: Assurance of the radiopharmaceutical's purity through analysis of its components with this GMP-compliant TLC scanner.

RADIO-PHARMACEUTICAL
GalliaPharm® is a ^{68}Ge/^{68}Ga radionuclide generator for radioactive in vitro labelling of various carrier molecules

THE SHARE

Development of the share

Despite the ongoing global Coronavirus pandemic, the Eckert & Ziegler share recorded a significant growth in value during the 2021 stock market year. With a Xetra closing price of € 94.10 on December 30, 2021, the Eckert & Ziegler share increased by almost 110% over the year and thus developed better than the TecDAX (+22%) and the DAX (+16%). Over a 5-year period, the Eckert & Ziegler share increased in value by around 1,300%. The share reached its annual high and all-time high of € 137.40 on November 3, 2021.

Earnings per share of € 1.67

In the period under review, the Eckert & Ziegler Group generated consolidated earnings per share of € 1.67. Earnings per share is calculated by dividing the consolidated net income by the average number of shares in the fiscal year.

Dividend of € 0.50

The company intends to continue its ongoing dividend policy of the past years. The Executive Board and Supervisory Board will therefore propose to the General Annual Meeting a dividend of € 0.50 per share for the fiscal year 2021. Based on the annual closing price of € 94.10, this works out at a dividend yield of 0.5%.

Analyst recommendations

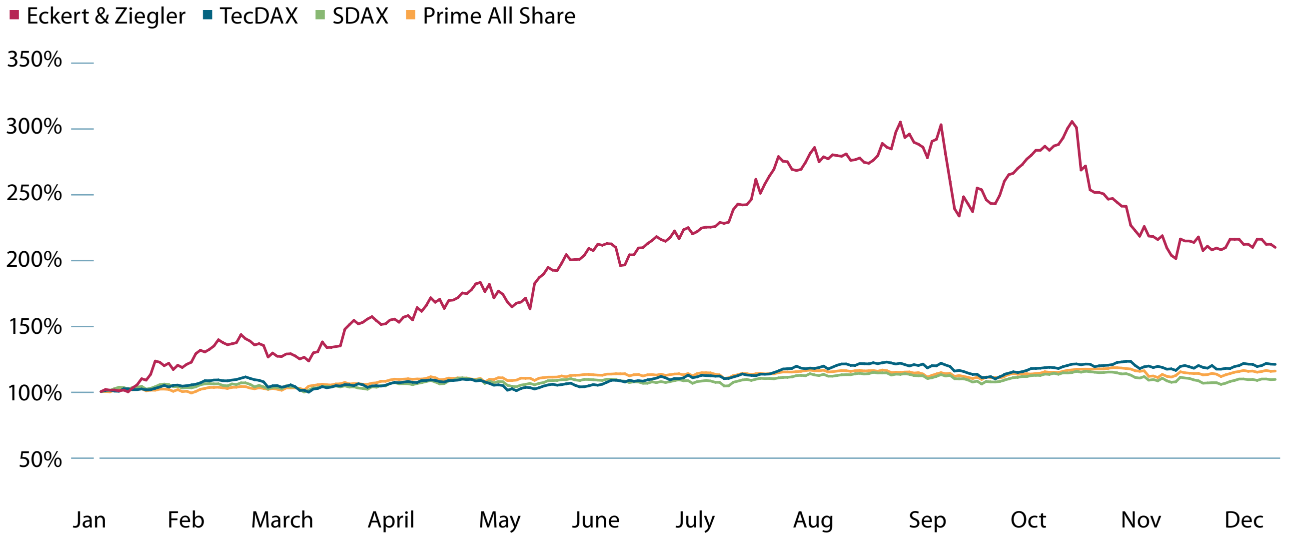
In the period under review, Hauck & Aufhäuser and DZ Bank published a total of 17 studies and brief analyses on Eckert & Ziegler.

Investor Relations

The objective of our investor relations activities is to provide private shareholders, institutional investors, financial analysts, and the press with open and timely information about the company. Essential components of this communication with the capital market comprise stock exchange and press releases, quarterly reports, interviews, and conference calls. Due to the Corona pandemic, investor conferences were held in virtual form during the period under review. During investor conferences in April, September and October the analyst conference in March, the virtual Annual General Meeting in June and the German Equity Forum in November the Executive Board also presented information regarding new developments and, in cooperation with the employees from the Corporate Communications and Finance departments, were available year-round for enquiries or calls by interested parties. Published studies by stock analysts and other company information can be found on our website under *www.ezag.com > Investors*. If you would like to join the IR mailing list and receive stock exchange and press releases regularly by email, call or email us now.

Karolin Riehle
T +49 30 941084-138
karolin.riehle@ezag.de | www.ezag.com

DYNAMIC PERFORMANCE OF THE ECKERT & ZIEGLER SHARE IN 2021 (INDEXED AT 100)



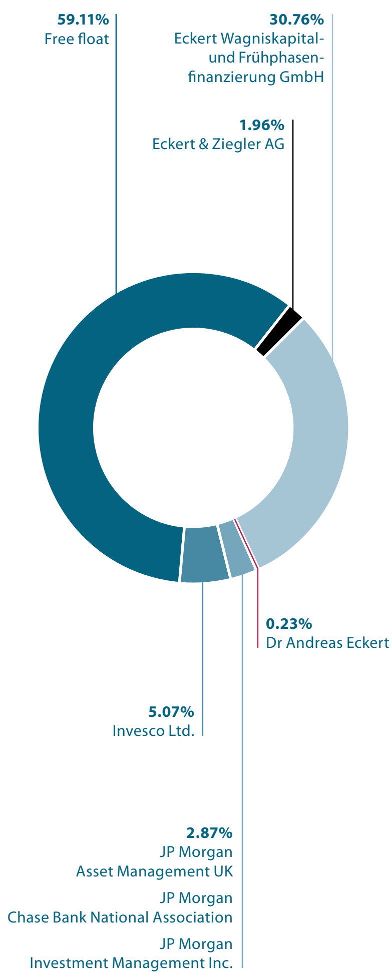
KEY DATA

		Dec 31, 2020**	Dec 31, 2021	in %
Closing price for the financial year*	in €	44.84	94.10	+110
Highest price in the financial year*	in €	51.00	137.40	+169
Lowest price in the financial year*	in €	22.52	45.56	+102
Price-Earnings Ratio (PER)	in €	44	56	+29
Earnings per share (EPS)	in €	1.03	1.67	+62
Cashflow per share	in €	1.67	1.64	–2
Book value per share	in €	7.11	9.30	+31
Market capitalization	in € million	949	1,992	+110
Average trading volume per day	shares	99,303	86,988	–12

* *Xetra*
** *Adjusted due to restatement; see Notes to the Consolidated Financial Statements; Note 3 "SIGNIFICANT ACCOUNTING POLICIES" on page 72*

SHAREHOLDERS' STRUCTURE

as of March 11, 2022



BASIC INFORMATION ON THE ECKERT & ZIEGLER SHARE

ISIN DE0005659700
WKN 565970

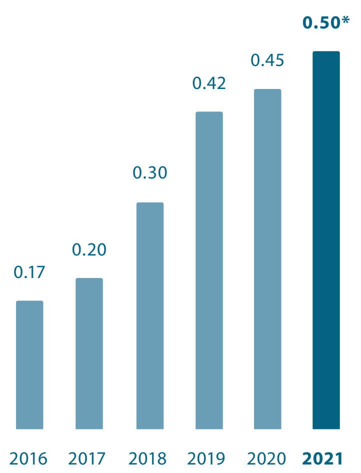
Stock exchange sector
Prime Standard
Frankfurt Stock Exchange
EUZ (Deutsche Börse)
EUZ (Bloomberg)

Selection index
TecDax, SDAX
MSCI Germany Small Cap Index

Number of shares as of Dec 31, 2021
21,171,932

DIVIDEND

in €



* *Proposal to the Annual General Meeting*

FORE MORE INFORMATION SEE OUR SUSTAINABILITY REPORT WWW.EZAG.COM

ENVIRONMENT

The Eckert & Ziegler Group is considered to be part of the metalworking or chemical and pharmaceutical industries. Like all industrial companies, it is subject to comprehensive rules and regulations that include guidelines on environmental impact.

These rules and regulations often prescribe both limits on emissions as well as their monitoring. In most cases, the regulations are formulated in such a way that the measurements for complying with the threshold values are carried out by independent third parties or at least monitored by the supervisory authority The quality of the data can therefore be classified as very high. In the period under review, there were no incidents that led to threshold values being exceeded. Furthermore, no significant deviations from requirements were recorded in the period under review in terms of the quality management system (DIN EN ISO 9001:2015; DIN EN ISO 13485:2016; ISO/IEC 17025:2017; MSDAP; cGMP; GMP; PMD Act, u. a.)

We focus on energy-saving design and construction for new buildings and renovations. This is also the case with the fundamental refurbishment of the 5,000 m² production hall in Berlin, which was acquired in 2021. Here, the sustainable construction and operating concept combines different methods: increased insulation standard of the building envelope; district heating generated by cogeneration; solar water heating for domestic hot water; solar-fed electricity from a photovoltaic system and ventilation system with highly efficient heat recovery. As a result of these measures, the calculated specific primary energy requirement of the building is 160 kWh/m²a and thus meets the KfW Efficiency House 40 standard. After the refurbishment, the building will have a primary energy requirement that is 60% lower than the comparative buildings taken as a basis by KfW. This means that the highest energy efficiency class will be achieved for this production facility The Group headquarters in Berlin-Buch, which we moved into in 2012, also fulfills a large number of sustainable construction and operating criteria, such as: Improved insulation standards for the building envelope; district heating generated by combined heat and power; solar water heating for industrial water; solar fed power from a solar-Protecting our employees from work related dangers has top priority at Eckert & Ziegler power system; and a double-flow ventilation system. Thanks to these measures, the building's calculated specific primary energy consumption of 154 kWh/m2 a is 25% lower than required by the strict conditions set forth in the Energy Conservation Regulation (Energieeinsparungsverordnung – EnEV).

By taking back used sources and processing them for new products, Eckert & Ziegler is making an additional contribution to environmental conservation. This recycling is extremely useful for all parties involved and helps conserve resources.

Climate neutral

The group processes only relatively small masses in its products and is therefore already considered a low emitter of carbon dioxide in principle. Due to the short half-lives, the transport routes must also be kept short, regardless of the costs. Unnecessary back and forth journeys are eliminated. Above all, however, all energy-intensive raw materials are produced in a climate-neutral way, since Eckert & Ziegler essentially obtains its starting materials from operators of nuclear reactors. The raw material germanium-68, the starting product for our gallium generators, is produced in nuclear reactors, as is the iodine-125 for our prostate cancer implants. Even in countries where the carbon dioxide issue receives less attention, our suppliers naturally use their own reactors to generate electricity. The Executive Board is therefore convinced that Eckert & Ziegler is one of the most climate-friendly companies in the chemical-pharmaceutical industry, if one considers the entire value chain.

Climate-neutral in any case: radioisotopes

SOCIAL COMMITMENT

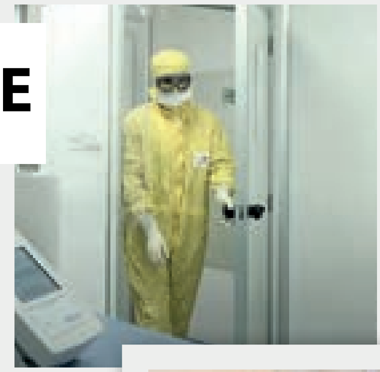
At its various locations, Eckert & Ziegler is engaged in projects and initiatives through financial support and the personal commitment of its employees. In this respect, we have set strategic priorities. In particular, the company supports initiatives for education, science, and research, as well as other projects in the region of individual company locations. Several years ago, Eckert & Ziegler launched the "Forschergarten" project (*www.forschergarten.de*) in cooperation with the Life Science Learning Lab Gläsernes Labor in Berlin-Buch and the Friedrich-Fröbel School for Social Pedagogy in order to promote science education among children. The idea of this initiative is to make science and technology come alive for children in kindergartens and schools, reduce their fear of the unknown and enhance the quality of education during early childhood and school. Due to popular demand, the course range has been enhanced and now includes physics classes. Under the motto "Atoms you can touch", courses have been offered that aim to convey the basics of radiation to high school students in a practical and visual manner. Among other things, the students are allowed to detect natural radioactivity in everyday objects such as building materials, cigarette ash or fertilizer using a Geiger counter, and gain an insight into the use of radiation in medicine. Before the Covid-19 pandemic, around 2,000 young people a year benefited from this training program. Due to Corona, Radiolab courses could not be held all year round in 2021. Despite the restrictions, around 1,400 students participated in the courses during the period under review.

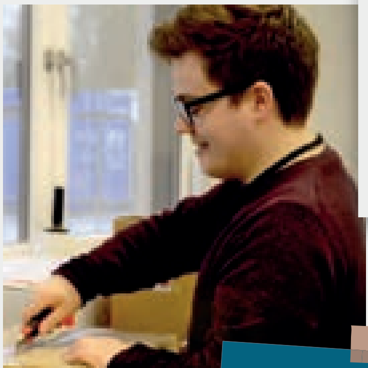
In 2021 Eckert & Ziegler supported the initiative "Bucher Füchse" (Buch foxes), a local environmental education project that enables elementary school students in Berlin to under-take scientific explorations in woods and fields. A nature educator accompanies the children on their expeditions through flora and fauna and explains natural phenomena. The children get to have the opportunity to develop their imagination, creativity and the desire to discover and explore at leisure. Through the self-determined discovery sustainable experiences of nature and fundamental insights into ecological interrelationships are created.

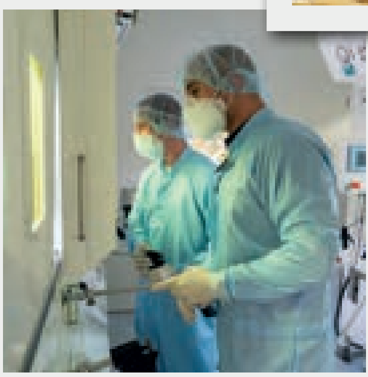
Our foreign subsidiaries are also involved in social projects. Eckert & Ziegler sponsors and donates to a team of American employees who raised approximately 17.000 US dollars in donations by taking part in the National Multiple Sclerosis Society's annual "Walk MS" against multiple sclerosis. The donations will go towards research into fighting the disease, which is still incurable, while those afflicted with the disease will receive financial support. The fundraising campaign has been one of our projects for many years. At our Californian subsidiary, employees volunteered in a local home for the homeless and donated around 3.000 US dollars. We supported this voluntary work and added the donations of the employees.

Scientific courses for children at the Forschergarten, an experimental research garden.

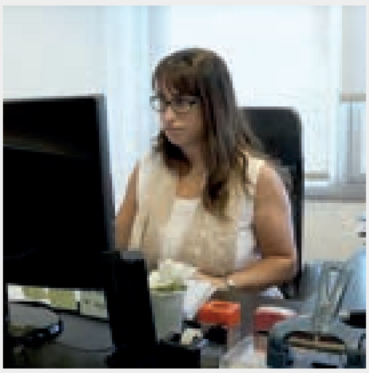
TEAMS WORLDWIDE

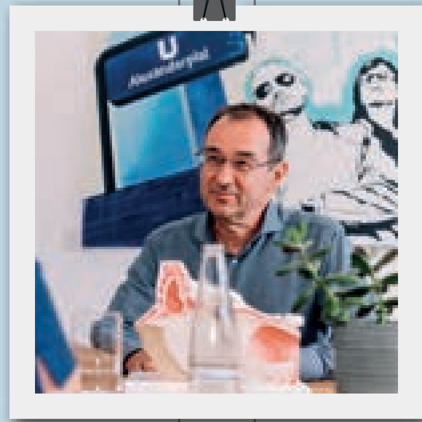


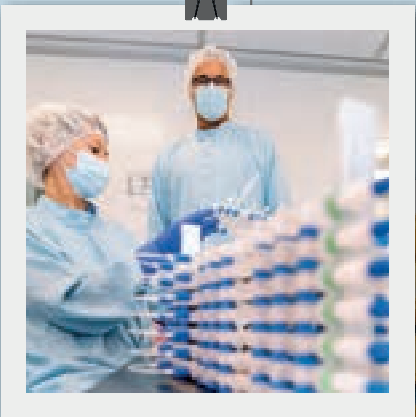


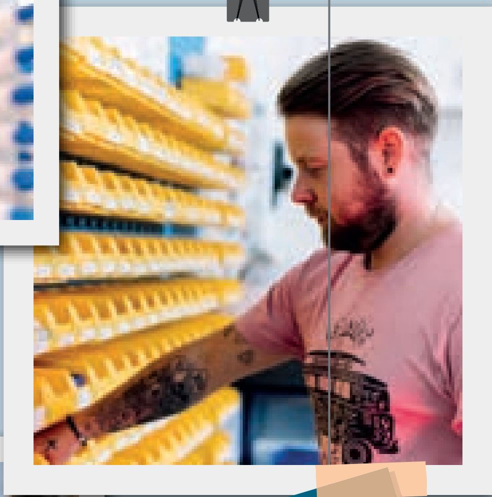


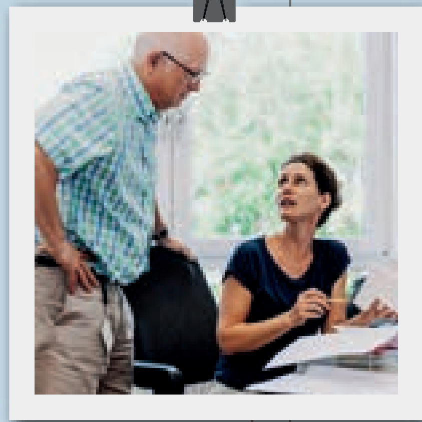
MORE THAN
900
EMPLOYEES ...

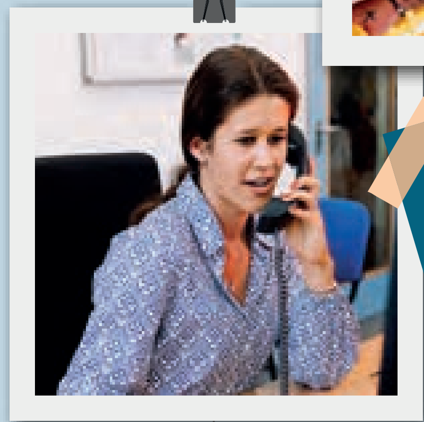




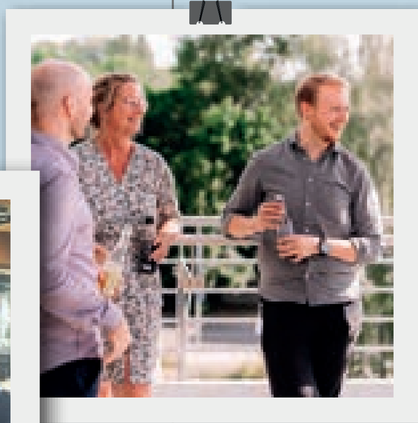


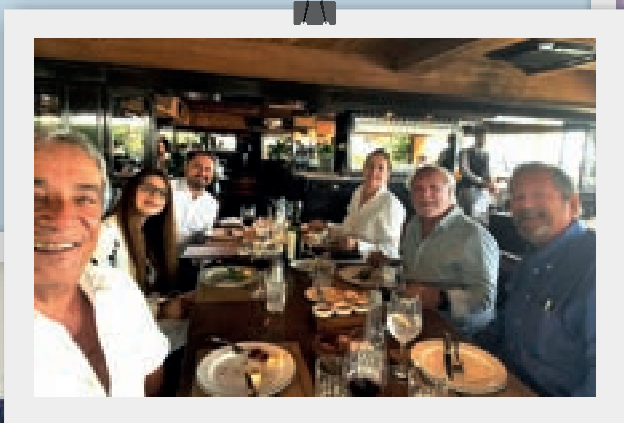


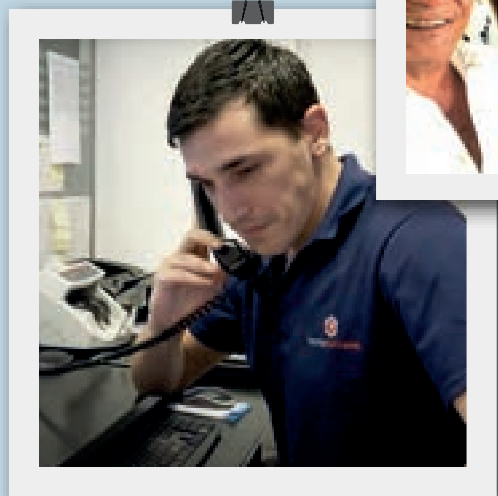


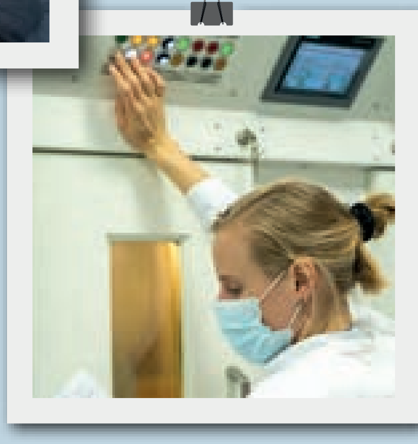


… AT
19 LOCATIONS
WORLDWIDE









3

COMBINED MANAGEMENT REPORT

COMBINED MANAGEMENT REPORT

1. GROUP FUNDAMENTALS

1.1 BUSINESS MODEL OF THE GROUP

The Eckert & Ziegler Group (Eckert & Ziegler) is an internationally operating manufacturer of isotope technology components for medical, scientific and industrial applications. In addition to Eckert & Ziegler Strahlen- und Medizintechnik AG, a listed German stock corporation with registered office in Berlin, the Group comprises 44 additional companies including minority participations. The Group is managed by the Executive Board, which is supported in its decisions by the advice of the Extended Executive Board that consists of the Executive Board of Eckert & Ziegler AG and heads of select business divisions.

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

There are comparatively few providers in the international markets where Eckert & Ziegler operates. Since its competitors serve only specific market niches, Eckert & Ziegler has no direct competitor offering the same range of products. There are considerable barriers to market entry due to strict regulatory requirements.

The operating business is managed through subsidiaries in the two operational segments Medical and Isotope Products, which target different customer groups with their various product groups. The segment Other includes the holding company, which pools internal group services like radiation protection, law, accounting, IT and HR, as well as Pentixapharm GmbH.

The Isotope Products segment manufactures isotope technology components for imaging techniques, scientific applications, quality assurance and industrial measurement purposes.

In addition, the segment offers a variety of services: taking back of radiation sources from customers and receiving low-level isotope technology waste, e.g. from hospitals and other institutions, processing and conditioning of radioactive waste, recycling of isotope technology materials, transport and logistics, provision of service technicians for inspection, maintenance and commissioning of irradiation facilities, professional disposal of waste and restoration.

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

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

In addition, the segment markets products designed for radiation therapists, a group of doctors that is specialised in treating cancer through irradiation. Its two most important products are small radioactive implants based on iodine-125 (so-called "seeds") for treating prostate cancer and eye applications based on ruthenium-106 or iodine-125 for treating uveal melanoma (eye cancer). During the 2021 financial year, the business with tumour irradiation equipment (HDR) was spun off to a separate company, BEBIG Medical GmbH, following which 51% of the shares in that company were sold to TCL Healthcare Equipment (TCL) in Shanghai.

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

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

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

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

1.3 GOALS AND STRATEGIES

Sustainable and profitable growth is the medium-term business development goal. The Group intends to achieve this on the one hand through organic growth, based, for example, on (further) development of new and existing products, or by entering into new geographical markets. On the other hand, the Group seeks opportunities for profitable acquisitions, aims to generate revenues by improving efficiency and invests in the development of clinical assets.

1.4 MANAGEMENT SYSTEM

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

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

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

The Controlling segment prepares reports for the business divisions and monitors performance compared to planning with particular focus on the key performance indicators of revenue and annual net income. The financial controllers report directly to the Group Executive Committee on a quarterly basis with a structured financial report on quantitative and qualitative developments in the reporting period.

The financial management of the Group is carried out largely at the segment level with some differences in the implementation.

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

1.5 RESEARCH & DEVELOPMENT

The total spending on research and development plus capitalised development costs and excluding depreciation and amortisation rose from € 3.1 million to € 6.2 million in 2021. Development expenses in the Isotope Products segment came in at € 0.5 million, which was € 0.2 million higher than in the previous year. In the Medical segment, expenses rose by € 0.3 million to € 3.1 million. The bulk of the rise in expenses (€ 2.9 million) was attributable to the Other segment, more precisely to development costs at Pentixapharm GmbH.

The products, which were included in the portfolio for the first time five years ago, contributed 16% toward revenue.

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

MEDICAL SEGMENT

Radiopharma business division

Additional clean rooms with new production facilities went into operation at the Braunschweig location. They make it possible to manufacture therapeutic medications labelled with alpha and beta rays. Approval for the manufacture of various test samples was granted in the summer of 2021 following the completion of extensive testing. Eckert & Ziegler is expanding its product portfolio in this way. Supplying customers with various test samples for clinical trials will help to drive forward the development of novel tumour therapies.

Because of the expected demand for lutetium-177, the required manufacturing capacities were expanded with investment being made both in new production facilities and analytical equipment. As a result, Eckert & Ziegler feels it will be capable of satisfying considerably increased demand beginning in 2022.

At the Berlin location, Eckert & Ziegler has started to build a GMP facility. It will enable Eckert & Ziegler to offer complete early-development services including process development and scale-up, CMC development, manufacturing and packaging, product approval and stability programmes. It will also put the Company in a position to operate as a contract manufacturer of clinical-standard radiopharmaceutical products for Phase I, II and III trials as well as for commercial use. Manufacturing is scheduled to commence in 2022.

A GMP suite of this kind was also built in Wilmington (MA, USA) (metropolitan Boston), creating the ability for customers to quickly produce patient doses for clinical trials. The operational readiness was in the first quarter of 2022.

In addition, Eckert & Ziegler invested in the development of a process for manufacturing ytterbium-176, an indispensable precursor for the manufacture of lutetium-177 that is available in only very small quantities. This manufacturing process, which was financed in part by Eckert & Ziegler and developed by Atom Mines LLC (Texas, USA), is designed to resolve the bottleneck and put Eckert & Ziegler in a position to offer large quantities of lutetium-177 to pharmaceutical companies around the world.

Laboratory Equipment business division

Development services in 2021 included, among others, the development of cassettes for the automated labelling of gallium nuclides using the Eckert & Ziegler equipment platforms ML Pharmtracer and ML eazy for the two new cancer diagnostic tracers PentixaFor and FAPI-46, along with transitioning them to production.

In addition, together with an external clinical partner, the equipment platform KitLab was successfully tested for the automated gallium labelling of medication "kits" for the imaging prostate cancer diagnostic, among other things. Working with a clinical partner, an automated labelling process was developed and successfully tested on the ML eazy module for the alpha nuclide actinium-225, which acts as a driver for new theranostic products. ML Pharmtracer was able to be qualified again as an industrial manufacturing platform, among other thing, for alpha nuclide labelling and for mRNA syntheses for novel cancer medications. As part of the alignment toward industrial customers, contract development work for leading pharmaceutical companies was continued from the previous year and follow-on projects were launched for them. Modernisation of the portfolio of analytical equipment was continued, and manufacturing for two product lines was transferred from the USA to Berlin.

Radiation Therapy business division

In the year under review, work continued on conformity with the new European Medical Device Regulation (MDR), and the technical documentation for some of the products was submitted for approval under the MDR. Collaboration with a provider of single-use medical products resulted in an innovative accessory for one of the most established products in the portfolio, which contributed to significant revenue increase in this division.

Plant Engineering business division

In this business division, hot cell facilities for working with radioisotopes in research and medical technology were continuously enhanced. The business is supported by a strong focus on technology leadership in plant engineering, particularly with facilities for the manufacture of promising isotopes for the radiopharmaceutical area, such as lutetium-177, gallium-68 and actinium-225.

The year 2021 saw the successful conclusion of two major orders for the construction of production lines for the manufacture of actinium-225, as well as a major order for the manufacture of germanium-68, connected to a cyclotron. Plant engineering plays a key role for the Group since future products as well as the offering of GMP suites are based on facilities from this business division.

ISOTOPE PRODUCTS SEGMENT

The Isotope Products business division expanded its SPECT/CT and PET/CT product portfolio with new sources for a number of OEMs. A new Co-57 line source was developed for the General Electric StarGuide SPECT/CT camera as was a Ge-68 line source for the Canon Cartesion PET/CT camera. Both systems promise better image quality and shorter scan times. A longer phantom was also released for the next generation of the Discovery MI camera from General Electric.

To support the growing PET market, an updated PET/CT camera was installed at the Valencia, California location and was qualified for the imaging of calibration phantoms. This upgraded system enables better quality control of sources as well as higher scan capacity and system reliability.

A process was developed for environmentally friendly recycling that recovers germanium-68 from used gallium generators. Germanium-68 can then be reused for new calibrator sources. The production line will be set up at the location in Dresden, Germany in the course of 2022.

The segment is also investing further in improving the safety and efficiency of its production processes as well as developing new products and servicing products in the existing line.

2. BUSINESS REPORT

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

2.1.1 Business development of the Group

In 2021, the Eckert & Ziegler Group posted revenue of € 180.4 million. Year-on-year, revenue rose by € 4.3 million, or 2%. Adjusted for currency effects, revenue rose slightly by € 7.0 million. Due to the weaker USD and BRL, revenue fell by € 2.7 million.

The Group thus reached its revenue target of € 180 million set out in the forecast report for 2021.

Revenue development with external customers in detail

Revenue in the Isotope Products segment rose by € 6.2 million, or 7%, across all product areas. At € 95.8 million, the Isotope Products segment remains the Group's largest segment in terms of revenue.

In the Medical segment, revenue fell year-on-year by € 2.1 million, or 2%, to € 84.5 million. This slight decline in revenue was mainly due to the deconsolidation of the business with tumour irradiation equipment (HDR). Adjusted for this one-off effect, the segment generated additional revenue growth compared with the previous year. The growth driver remains the business with pharmaceutical radioisotopes.

In the 2021 reporting period, the Other segment posted external revenue of € 0.1 million (previous year: € 0.0 million).

With revenue of € 85.6 million (previous year: € 82.4 million), Europe remained the most important sales region again in 2021. In terms of consolidated revenue, Europe contributed 47% to revenue, the same percentage as in the previous year. Revenue in the individual regions developed differently depending on the segment. Whereas revenue in the Isotope Products segment fell slightly in Asia, it rose sharply in all other regions. In the Medical segment, the deconsolidation of the business with tumour irradiation equipment (HDR) led to a decline in revenue in the regions Europe, America and Asia. Adjusted for this effect, revenue increased across all regions.

Germany remained the most important European market with € 34.9 million (previous year: € 30.4 million). The largest single national market for Eckert & Ziegler products in 2021 was once again the United States, where goods worth € 62.0 million were sold, compared to € 60.4 million in the previous year. These sales are mainly invoiced in USD. Total USD revenue again accounted for 35% (previous year: 35%) of consolidated revenue.

2.1.2 Financial performance of the Group

Consolidated net income for the reporting period stood at € 34.7 million, a significant increase of € 13.1 million, or 61%, over the figure for the previous year. The share of net income attributable to shareholders of Eckert & Ziegler AG amounted to € 34.5 million corresponding to earnings per share of € 1.67.

After income fell somewhat in 2020, the financial performance in the Isotope Products segment is back on course to regaining its old strength. The Medical segment also continues to grow. Strong business with pharmaceutical radioisotopes nearly offset the sale of the business with tumour irradiation equipment (HDR). In total, these developments led to an increase in the gross margin by € 4.5 million to € 91.1 million. Selling expenses rose by € 0.9 million, or 4.1%, to € 22.6 million, whereas general and administrative expenses increased by € 1.8 million from € 29.7 million in the previous year to currently € 31.5 million. With the increase in other operating income by € 8.8 million, particularly as a result of the sale of the business with tumour irradiation equipment (HDR), net operating income thus rose year-on-year by € 12.4 million to € 43.8 million.

Year-on-year, net currency income rose by € 3.1 million. Earnings before taxes rose from € 31.1 million to € 46.4 million. As a result of higher pre-tax net income, expenses for income taxes also rose from € 9.6 million to € 11.7 million. Thus, consolidated net income rose overall in the year under review by € 13.1 million to € 34.7 million.

Of this consolidated net income, € 0.1 million (previous year: € 0.2 million) is attributable to non-controlling interests, meaning that the share of net income for shareholders of Eckert & Ziegler AG rose from € 21.3 million in the previous year to € 34.5 million in the year under review.

The expectations from the forecast report for the year 2021 were thus met despite the persistent global pandemic crisis. In an ad hoc announcement of 27 July 2021, the Executive Board had raised the profit expectation to earnings of about € 1.70 per share, which was confirmed with the earnings now achieved of € 1.67 per share.

2.1.3 Development of the segments

Isotope Products segment

The segment's main product groups are:

1. Radiation sources
2. Trade in raw isotopes and other products
3. Services
4. Disposal of low-level isotope technology waste

The important first product group involves isotope technology components for imaging techniques, scientific applications, quality assurance and industrial measurement purposes. Eckert & Ziegler has long possessed a good market position with a significant share of the world market volume. Radiation sources for medical quality assurance continue to show growth rates. The other business divisions also developed positively as a result of the economic recovery in 2021 following the impact of the pandemic in the previous year.

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

The last two main product groups involve services such as taking back of radiation sources from customers and receiving low-level isotope technology waste, conditioning of radioactive waste, recycling of isotope technology materials, transport and logistics, provision of service technicians for inspection, maintenance and commissioning of irradiation facilities, professional disposal of waste and restoration.

Revenue in the Isotope Products segment recovered substantially in 2021 with total revenue of € 100.6 million constituting a year-on-year rise of 7%. Nearly all business divisions posted record revenue, with the exception of the business with service projects, which was again adversely affected by COVID-related travel restrictions and logistical challenges. Cost of sales remained roughly the same, which resulted in a higher gross margin of € 45.0 million for a rise of € 6.5 million compared with 2020. In the year under review, EBIT came in at € 16.5 million following € 10.0 million in the previous year. Strong business led to a rise in income taxes by € 1.4 million to € 3.8 million. Segment net income stood at € 12.0 million representing a rise of € 5.0 million compared with 2020.

Medical segment

The segment's main product groups are:

1. Longer-lived radioisotopes for pharmaceutical applications
2. $^{68}Ge/^{68}Ga$ radionuclide generator GalliaPharm®
3. Radiosynthesis equipment and consumables
4. Quality control equipment
5. Implants for the treatment of prostate cancer "seeds"
6. Therapeutic accessories
7. Ophthalmological products
8. Other therapeutic products and plant engineering

The Medical segment posted net income of € 24.2 million this year. This represents year-on-year growth of € 6.8 million, or 39%. In all, revenue, including with other segments, fell by € 1.9 million, or 2%, to € 85.0 million. This was particularly attributable to the above-mentioned deconsolidation of the tumour irradiation business (HDR). Adjusted for this effect, revenue rose due to the strong demand for radiopharmaceuticals. The gross margin developed somewhat more strongly in proportion and fell by € 1.3 million to € 45.2 million. Continuous growth is spurring the company to make further investments in production infrastructure and human capital.

Total selling expenses and administrative costs were € 2.2 million higher than the level of the previous year. The segment generated one-off income of around € 9.9 million with the sale of 51% of the shares in the tumour radiation business (HDR). EBIT stood at € 32.5 million, which was € 7.3 million, or 29%, higher than in the previous year. Solid business led to a tax expense of € 8.0 million, corresponding to a tax rate of 25%.

The development of this segment exceeded management's expectations, despite the global pandemic crisis.

Other segment

The holding company Eckert & Ziegler Strahlen- und Medizintechnik AG finances itself through services provided, such as accounting, personnel administration, IT and radiation protection; each of these is charged on to the subsidiaries plus a profit surcharge. In addition, the holding company makes loans where necessary and earns interest income from them. The holding company also receives income from profit transfers and distributions from the subsidiaries. Pentixapharm GmbH was a part of the Other segment for the first time in the financial year 2021.

In the year under review, the Other segment posted only insignificant revenue from outside the Group of € 0.1 million, which was thus € 0.1 million higher than in the previous year. Administrative costs stood at € 9.1 million, which was € 0.6 million higher than in the previous year.

Overall, the result in the year under review increased by € 1.4 million to € –1.5 million.

2.1.4 Financial position of the Group

At € 34.7 million, net income for the period before minority interests was € 13.1 million higher than in the previous year.

Despite significantly higher net income for the period, cash flow from operating activities fell slightly by € 1.1 million to € 33.9 million. The decline was mainly due to the fact that of the net income for the period, € 12.4 million was apportionable to income attributable to cash flow from financing activities, whereas in the previous year, this item included € 0.3 million in expenses. The decline in cash flow from operating activities also contributed to current assets and liabilities changing by € 1.2 million (€ –3.4 million compared with € –2.2 million in the previous year) and to non-current provisions, non-current liabilities, non-current assets and non-current receivables changing by € 7.5 million (€ –1.9 million compared with € 5.6 million in the previous year). By contrast, other non-cash events worked in the opposite direction, rising by € 3.7 million to € 2.2 million (previous year: € 1.7 million).

Cash outflow from investing activities in the year under review amounted to € 23.6 million, whereas in the previous year, the cash outflow in this area was merely € 11.5 million. Investments in property, plant and equipment and intangible assets rose sharply year-on-year from € 7.1 million to € 28.9 million. € 8.3 million was expended for acquisitions (net of cash acquired) in the year under review, whereas in the previous year, € 4.4 million was paid to acquire shares in companies consolidated at equity. This contrasted with cash inflow from the sale of shares in consolidated companies in the amount of € 10.4 million (previous year: € 0 million) and income from participations in the amount of € 2.9 million (previous year: € 1.5 million). In addition, € 1.0 million was paid in the previous year for the acquisition of securities, which contrasted with cash inflow in the year under review from the sale of securities in the amount of € 0.2 million (previous year: € 0.1 million).

Cash outflow from financing activities fell by € 6.9 million to € 6.1 million. The year-on-year decline was mainly due to cash inflow from loans taken out in the amount of € 7.1 million. Cash outflow increased year-on-year by € 0.6 million in connection with the payment of the dividend to shareholders of Eckert & Ziegler AG. The Annual General Meeting held in June 2021 resolved to increase the dividend to € 0.45 per share. Therefore, the cash outflow for the dividend payment rose from € 8.8 million in the previous year to € 9.3 million in the year under review.

In addition, the weak euro (particularly in relation to the USD) led to a currency-related increase in cash and cash equivalents by € 3.9 million (previous year: € –1.9 million).

As at 31 December 2021, cash and cash equivalents amounted to € 93.7 million. Compared with year-end 2020, this represents an increase of € 6.2 million. Accordingly, the company continues to be well positioned for future projects, also in light of very low bank debt.

2.1.5 Net assets of the Group

Compared with the 2020 annual financial statements, total assets and liabilities as at 31 December 2021 increased by € 58.3 million, or 20%, and now amount to € 347.7 million (previous year: € 289.4 million). On the assets side, goodwill rose by € 1.2 million, primarily due to changes in exchange rates. Other intangible assets rose by € 21.4 million. The increase was mainly attributable to development projects that were acquired in connection with the purchase of Pentixapharm GmbH in April 2021 and have since been continued in the Eckert & Ziegler Group. Property, plant and equipment increased by € 23.9 million to € 61.9 million due to substantial investments in the further expansion of production capacities in Europe, America and Asia. Right-of-use assets under IFRS 16 fell slightly by € 0.5 million to € 19.3 million. Interests in participations measured at equity increased by € 8.2 million to € 15.1 million. The increase was mainly attributable to the 49% holding in BEBIG Medical GmbH (HDR business), which, following the sale of 51% of the HDR business since April 2021, is consolidated only at equity. Deferred tax assets fell by € 0.7 million to € 11.2 million. In total, non-current assets rose by € 53.5 million to € 170.1 million.

Current assets increased by € 4.8 million to € 177.6 million (previous year: € 172.8 million). Compared with year-end 2020, cash increased by € 6.2 million and amounted to € 93.7 million (for details, also see the section "Liquidity"). Trade receivables increased by € 3.7 million and inventories by € 3.8 million. Other assets rose by € 0.9 million, whereas income tax receivables came in at € 2.9 million (previous year: € 3.0 million), which was roughly the level of the previous year. In connection with the sale of the HDR business, € 14.0 million of assets held for sale and disposal groups was recognised separately in current assets in the previous year. The sale of the HDR business was executed on schedule in the year under review. In December 2021, a letter of intent was signed concerning the sale of an additional business division. In this connection, € 4.1 million was again recognised under assets held for sale and disposal groups.

On the liabilities side, non-current liabilities rose by € 0.8 to € 94.8 million. This was due to provisions for restoration and disposal obligations, which rose by € 2.1 million, and to deferred income from grants, which rose by € 0.8 million. Trending in the opposite direction were provisions for pensions, which declined by € 1.4 million to € 13.0 million, as well as other non-current liabilities, which fell by € 1.6 million to € 0.4 million.

Current liabilities increased by € 11.3 million to € 60.4 million with most of the rise attributable to the growth in current loan liabilities in the amount of € 7.1 million. Current lease liabilities (IFRS 16) increased by € 0.5 million, trade receivables by € 0.6 million, advance payments received by € 3.0 million and other current liabilities by € 3.9 million. By contrast, income tax liabilities and current provisions fell by € 0.8 million and € 0.5 million, respectively. Liabilities directly related to assets held for sale amounted to € 0.8 million (previous year: € 3.3 million).

Equity rose by a total of € 46.2 million to € 192.5 million. In this regard, retained earnings increased by a total of € 25.2 million. The addition through net income for year of € 34.5 million was correspondingly reduced by the distribution of the dividend in the amount of € 9.3 million. Other reserves, which also include unrealised actuarial gains or losses in addition to translation differences on the equity of subsidiaries reporting in foreign currencies, increased by € 3.4 million to € –2.2 million. Capital reserves increased by € 12.0 million to € 66.2 million. The item "Treasury shares" fell from € 5.5 million to € 3.9 million. The addition to capital reserves as well as the decline in treasury shares was due to the use of 128,000 treasury shares for acquisitions and 38,300 treasury shares in connection with share-based remuneration of employees.

The equity ratio rose further compared with the previous year (51%) and now stands at 55%.

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

Business development of the company

During the 2021 financial year, there were profit and loss transfer agreements in force between Eckert & Ziegler AG and a direct subsidiary as well as between the latter and its subsidiary. The annual profit or loss generated by the other subsidiaries is not completely transferred to the parent company, meaning that the separate financial statements of Eckert & Ziegler AG differ substantially from consolidated net income.

In the 2021 financial year, Eckert & Ziegler AG received profit of € 24.1 million (previous year: € 18.7 million) as part of the profit and loss transfer agreement with its German subsidiary, Eckert & Ziegler Radiopharma GmbH.

Financial performance of the company

Compared to the previous year, the main changes to the profit and loss statement are as follows:

a) Revenues increased by € 0.5 million to € 7.4 million. This primarily relates to income from services and rents for affiliated companies. The year-on-year increase is based on more extensive services and charges.
b) Other operating income increased by € 3.6 million to € 4.5 million. The strong growth is mainly based on income from the release of provisions for disposal obligations. In connection with the sale of the land and production building in Seneffe, Belgium, the decontamination obligations associated with the land and building were also transferred to the buyer, meaning that provisions in the amount of € 4.3 million were able to be released through profit or loss.
c) Personnel expenses rose by € 0.9 million to € 4.5 million. The rise is mainly based on the higher number of employees on an annual average compared with the previous year. The company's remuneration system for members of governing bodies is set out in the remuneration report.
d) Depreciation/amortisation of non-current assets and intangible assets stood at € 0.4 million, a level similar to that in the 2019 financial year.
e) Other operating expenses fell year-on-year by € 5.7 million to € 5.5 million. The decline is mainly attributable to the merger-related losses of € 5.0 million in the previous year, which were not incurred in 2020.
f) Income from profit and loss transfer agreements came in at € 18.7 million, a level similar to that in the 2019 financial year (€ 18.9 million).
g) Eckert & Ziegler AG received a profit distribution of € 2.8 million from its subsidiary Eckert & Ziegler Isotope Products Holdings GmbH. In the previous year, this amount totalled € 5.2 million, which it received from Eckert & Ziegler Radiopharma GmbH.
h) Interest and similar expenses as well as other interest and similar income amounted to nearly € 0.1 million, which was roughly at the level of the previous year.
i) Since a large amount of the income realised at the Belgian production site was able to be offset with tax loss carryforwards, expenses for income taxes rose only slightly year-on-year by € 0.2 million to € 5.5 million.

The total net profit for the 2020 financial year amounted to € 17.4 million.

Net assets and financial position of the company

The total assets and liabilities of Eckert & Ziegler AG rose significantly year-on-year by € 34 million to € 141.1 million. On the assets side, the rise is mainly reflected in the additions contributed by shares in affiliated companies and balances with financial institutions. On the liabilities side, the main increases were to equity by € 23.1 million and in liabilities to affiliated companies by € 8.5 million.

The following material changes occurred in the 2021 financial year:

Shares in affiliated companies rose sharply by € 28.3 million, from € 75.4 million in the previous year to € 103.7 million. In the year under review, Eckert & Ziegler acquired new interests in Pentixapharm GmbH, Würzburg. As at 31 December 2021, Eckert & Ziegler AG holds 91% of the shares in Pentixapharm GmbH with a carrying amount of € 25.9 million. In addition, € 17.0 million was invested for capital increases at the subsidiary Eckert & Ziegler Radiopharma GmbH.

Having the opposite effect were capital repayments in the amount of € 14.6 million received from the subsidiary Eckert & Ziegler BEBIG GmbH.

Receivables from affiliated companies rose slightly by € 1.2 million, from € 22.9 million in the previous year to € 24.1 million primarily as a result of the receivable resulting from the profit and loss transfer agreement with Eckert & Ziegler Radiopharma GmbH.

Balances with financial institutions increased by € 5.6 million to € 9.8 million.

Equity amounted to € 125.9 million and thus rose year-on-year by € 23.1 million. The increase is the result of net profit in the amount of € 22.7 million that was generated in the financial year as well as € 9.7 million from the use of treasury shares for acquisitions and employee remuneration. By contrast, a disposal in the amount of € 9.3 million was recorded for the dividend distributed in the financial year.

Provisions rose by € 1.6 million to € 5.1 million. The rise in provisions was due, on the one hand, to tax provisions that were higher than in the previous year by € 0.6 million. On the other hand, other provisions rose year-on-year by € 1.0 million from € 2.3 million to € 3.3 million mainly as a result of higher provisions for bonuses (including share remuneration).

The rise in liabilities from € 0.6 million in the previous year to currently € 10.0 million was mainly the result of the rise in liabilities to affiliated companies since Eckert & Ziegler Systems GmbH granted Eckert & Ziegler AG a long-term loan in the amount of € 8.0 million in the 2021 financial year.

Banks granted credit and surety lines to the company of € 11.4 million of which € 8.5 million had been used as at the reporting date for sureties and guarantees.

Overall, the Executive Board continues to rate the company's economic position as very good. The equity ratio was 89%.

2.3 EMPLOYEES

As at 31 December 2021, Eckert & Ziegler employed a total of 866 people across the Group (previous year: 828). The number of employees thus increased by 38 persons year-on-year. The increase is spread across all segments.

If employee figures are calculated based on the definition set forth in the German Commercial Code (HGB), which relates to the average number of employees over the course of a year and excludes members of the Executive Board and managing directors as well as trainees and interns but includes part-time employees and employees with minimal working hours, the number of employees rose from 799 to 842.

Eckert & Ziegler Strahlen- und Medizintechnik AG had an average of 67 employees, or 20 more employees than in the previous year.

At 12%, the fluctuation rate, defined as the number of employees who left the company during the year under review, was below the previous year's level of 13%, which is in line with the general trend. However, it is still far below the average fluctuation rate in Germany, which was 29.8% in 2020. The percentage of women in the total workforce remained at the level of the previous year and stood at 36%. The average age of the Group's workforce in the period under review was 45 with emphasis on the 55- to 59-year-old age group. Slightly fewer than half of all employees have a degree from a university of applied sciences/bachelor's degree or a higher level of education.

Target figures for the Executive Board and Supervisory Board

On 31 July 2017, the Supervisory Board resolved not to establish a target figure for the proportion of women on the Executive Board of Eckert & Ziegler AG. This decision was made because the Supervisory Board does not consider gender to be a relevant selection criterion but rather pays attention purely to personal and professional suitability for the role. Accordingly, no numerical target figure was set (i.e. the quota is 0%).

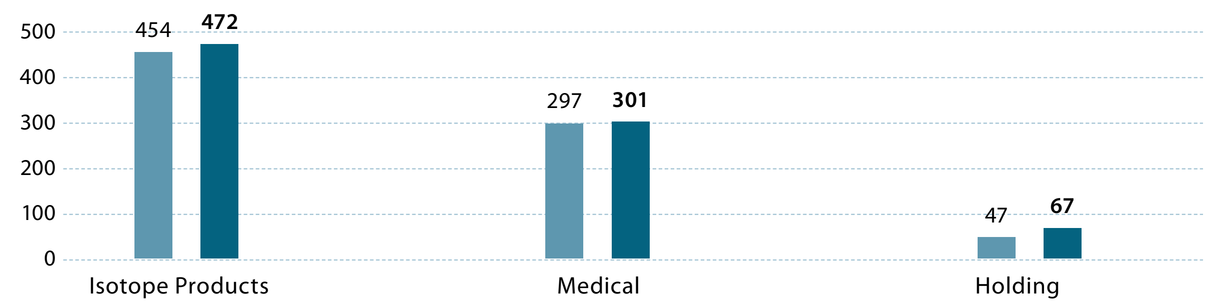
On the same date, the Supervisory Board resolved on a quota for the Supervisory Board of 1/6 (corresponding to approximately 17%). The deadline for reaching the target figure was set at 30 June 2022. The company's Supervisory Board currently has one female member.

Target figures at senior management levels

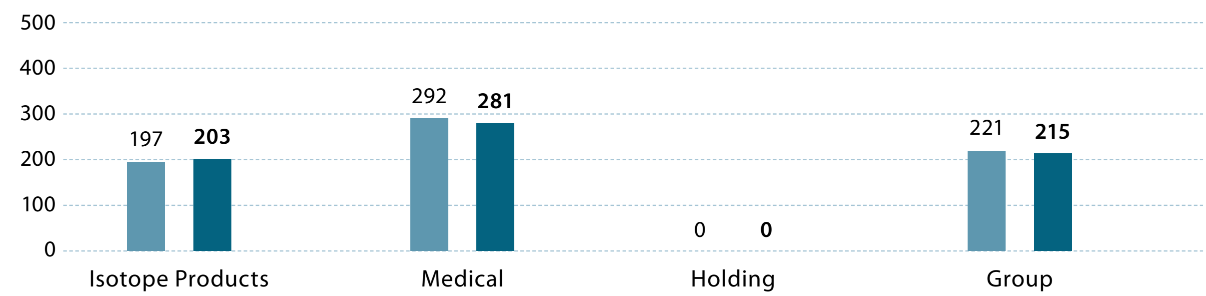
Since the Executive Board also does not seek to change the composition of senior management levels below the Executive Board in a way that is not based purely on personal and professional qualification for the office, the Executive Board further decided on 23 August 2017 not to establish a numerical target figure for the proportion of women at these management levels (i.e. the quota is 0%). The deadline for reaching the target figure was set at 30 June 2022. The first management level below the Executive Board was determined to be the group of department heads and, as the second management level below the Executive Board, the group of sub-department heads.

As at 31 December 2021, the percentage of women at the first and second level of management below the Executive Board was 25% and 27%, respectively. The figures relate to the listed holding company. Only the holding company is subject to the disclosure obligation under the "Act on the Equal Participation of Women and Men in Management Positions" (Section 76 (4) of the German Stock Corporation Act (AktG)). The Group, as a whole, has 840 employees and, particularly at the second management level, the situation is similar.

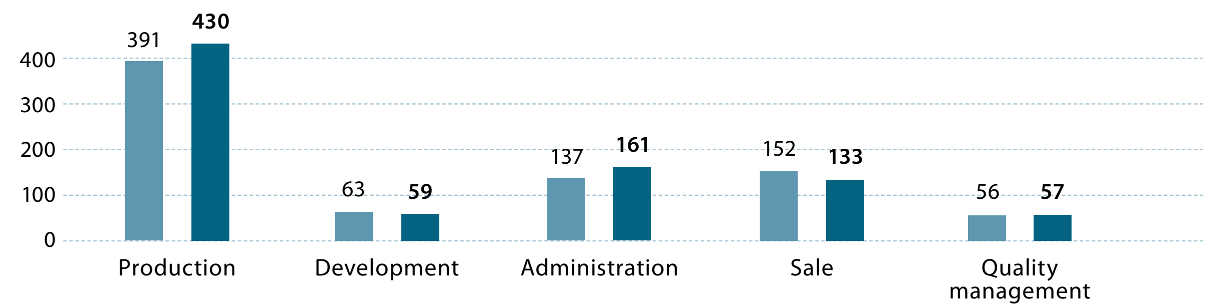
AVERAGE NUMBER OF EMPLOYEES BY SEGMENT



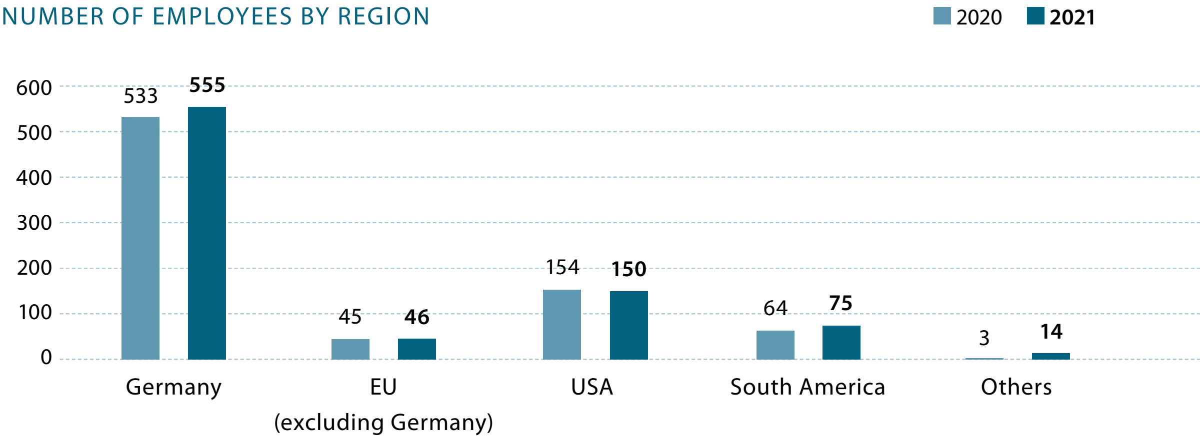
REVENUE PER EMPLOYEE € THOUSAND



NUMBER OF EMPLOYEES BY DEPARTMENT



NUMBER OF EMPLOYEES BY REGION



Personnel expenses amounted to € 61.6 million in the year under review (previous year: € 58.9 million). This translates into average personnel expenses of around € 73.1 thousand per employee in 2021, compared with around € 73.8 thousand in the previous year.

2.4 OVERALL STATEMENT CONCERNING THE ECONOMIC POSITION

The year 2021 was marked by continued revenue and earnings growth in the Medical segment, whereas the Isotope Products segment was weakened by the pandemic and the oil price crisis. All told, Eckert & Ziegler AG generated net profit per share of € 1.67. The capital market is anticipating further growth, especially in the area of radiopharmaceuticals and, as a result, the company's market capitalisation has increased sevenfold in the past three years, reaching € 1.2 billion as at the end of 2021.

As part of an organisational adjustment, the Radiation Therapy and the Radiopharma segments were combined to form a new Medical segment from 2020. The strengths of both segments can thus be pooled to an even better extent and efficiencies can be increased.

The strong market positions of the respective segments are reflected in a solid balance sheet. Even though an official confirmation by a rating agency is not available, the Group is in the investment grade range, i.e. investment with a low risk of default. The solid balance sheet ratios, such as equity ratio, return on equity, debt repayment period and similar performance indicators, continue to provide the Group with significant financial latitude. Even after accounting for lease liabilities of € 19.3 million in accordance with IFRS 16, the Group had net liquidity of € 69.8 million. As a result, the management can continue to focus on the global expansion strategy and actively take advantage of all opportunities that arise.

3. REPORT ON OPPORTUNITIES AND RISKS

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

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

3.1 ORGANISATION OF RISK MANAGEMENT

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

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

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

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

As part of risk management, risks are classified into risks from the use of financial instruments, political risks, legal risks, IT risks, personnel risks, procurement risks, general risks arising from the production and handling of radioactivity, sales market risks and strategic risks, risks from cost increases due to price hikes, main customer risks and research and development risks. The risk owners are identified. In a risk matrix, the identified risks are presented in terms of their likelihood of occurrence and their potential financial impact on the Group's net assets, financial position and financial performance in the categories low/medium/high/very high. Risks which jeopardise the company as a going concern are – where present – highlighted and reported separately. Risks are classified as follows:

Classification	Probability of occurrence within 24 months	Intensity
1-Low	up to 25%	up to € 2 million
2-Medium	25 to 50%	€ 2 million up to € 5 million
3-High	50 to 90%	€ 5 million up to € 10 million
4-Very high	More than 90%	more than € 10 million

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

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

3.2 RISKS FROM THE USE OF FINANCIAL INSTRUMENTS

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

Liquidity risk

Probability of occurrence: **low**/Intensity: **low**
In the last two years, global economic activity slowed down since millions of people practised social distancing in order to stem the spread of COVID-19 (coronavirus). As a result, companies were either confronted with or are expecting considerable restrictions in terms of cash and operating capital including potential liquidity problems. The COVID-19 pandemic has caused disruptions and uncertainties to an unforeseen degree for companies in all sectors and regions. Solid liquidity in times of the coronavirus pandemic is of decisive strategic importance.

The Group believes that it currently has sufficient financial resources to ensure its continued existence as a going concern. Despite the burden caused by the pandemic, the cash and cash equivalents of Eckert & Ziegler increased by € 6.2 million to € 93.7 million. As at year-end, net liquidity amounted to € 68.1 million[1]. The Group thus believes that it is in a position to meet all of its financial obligations.

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

Risks from contingent liabilities

Probability of occurrence: **low**/Intensity: **medium**
Guarantees and sureties were provided in favour of subsidiaries. As at 31 December 2021, Eckert & Ziegler AG had at its disposal pledged credit and guarantee lines in the amount of € 44,276 thousand, of which € 20,430 thousand had been drawn down for guarantees. However, no claims under the guarantees are expected.

Exchange rate risks

Probability of occurrence: **medium**/Intensity: **low**
Because it operates globally, the Group is exposed to risks associated with fluctuations in exchange rates. Since the subsidiaries in the US and Brazil generate the majority of the Group's revenue, the Group is positively or negative affected by changes in exchange rates in connection with the foreign currency translation (US dollar and Brazilian real) of positions in the profit and loss statement. Through its global production structure, the Group is in a position to offset most of the revenue generated in foreign currency against costs that are likewise incurred in foreign currency. Where required, the Group uses forward transactions and simple put-options to hedge foreign currency revenue generated by German exports.

[1] *Corresponds to the difference between, on the one hand, current and non-current loan and lease liabilities and, on the other, cash, cash equivalents and securities.*

Default risks for customer receivables

Probability of occurrence: **low**/Intensity: **medium**
The Group is exposed to default risk on its trade receivables, in particular, in connection with its numerous foreign transactions.

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

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

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

Interest rate risk

Probability of occurrence: **medium**/Intensity: **medium**
An increase in interest rates would lead to a decline in the assigned values. If they fall below the carrying amount of the goodwill or the carrying amount of the shares in subsidiaries, this would create the need for a write-down on the consolidated level or in the separate financial statements of Eckert & Ziegler. This would have a negative impact on the net assets and financial performance of the Group or Eckert & Ziegler AG as a standalone company.

3.3 POLITICAL RISKS

Probability of occurrence: **medium**/Intensity: **high**
As things stand today, the military attack by Russia on Ukraine is resulting in consequences for the global economy and the performance of companies that are very difficult to assess. Eckert & Ziegler is primarily exposed on the procurement side. Sales to Russia are of minor significance in the Group. Economic sanctions are currently focused on exports to Russia and on the country's ability to access capital markets. As an importer, Eckert and Ziegler is not directly affected. Based on the sanctions, administrative procedures have been adjusted and alternative transport routes have been established. So far, we have not been faced with insurmountable obstacles and continue to receive deliveries from Russia. Alternative suppliers outside of Russia are available for a number of radioisotopes.

3.4 LEGAL RISKS

Probability of occurrence: **low**/Intensity: **medium**
The Group is exposed to legal risks arising from legal disputes or governmental or official proceedings in which it is currently involved or that may arise in the future. At this time, legal disputes or lawsuits that are not or not fully covered by corresponding insurance or provisions and could have a significant adverse impact on consolidated net income are neither pending nor discernible.

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

3.5 IT RISKS

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

3.6 PERSONNEL RISKS

Probability of occurrence: **high**/Intensity: **medium**
The coronavirus pandemic has changed work habits worldwide. A prominent characteristic of the pandemic is the switch from office work to teleworking or mobile working whenever possible. The pandemic has in this way accelerated the ongoing digital transformation of work culture. The possibility of mobile working is of enormous importance in light of potential business closures, imposed quarantines, immediate absence due to symptoms of illness and/or closure of care facilities. The Group sees a risk of not being able to provide the ability for mobile working at all times. The company minimises this risk through the creation and continual updating of a pandemic plan as well as through the training of employees, making mobile working available for all employee where possible and sensible, flexible working time offers in order, e.g., to cover for care situations, the review and, if appropriate, use of government aid and the education of and clear communication to employees.

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

3.7 PROCUREMENT RISKS

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

3.8 GENERAL RISKS FROM THE PRODUCTION AND HANDLING OF RADIOACTIVITY

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

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

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

Eckert & Ziegler makes every effort to comply with all the relevant regulations and implement any changes, orders and documentation requirements in a timely manner. Other authorisations, which are also mandatory for the business, are complied with and the relevant regulations and measures are introduced on time. While Eckert & Ziegler works closely with the approval authorities and also uses the help of local partners in regulatory matters, there is a risk that it may not be possible to implement certain requirements within the specified time limit. Eckert & Ziegler relies on options for the disposal of isotope technology waste that is created when taking back sources or during production. A closure or delayed opening of disposal facilities can lead to significant increases in costs. Efforts are made to reduce the impact of this risk to the greatest extent possible through internal recycling. However, this uncertainty cannot be completely eliminated.

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

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

3.9 MARKET RISKS AND STRATEGIC RISKS

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

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

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

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

3.10 RISKS POSED BY COST INCREASES DUE TO PRICE HIKES

Risk posed by cost increases in material procurement

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

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

Probability of occurrence: **medium**/Intensity: **high**
There is a much higher risk from cost increases in the case of sites contaminated with radioactive waste. As a result of political decisions and changes in legal requirements as well as government capacities, the costs of disposal may rise, for example due to a reclassification of old waste, bottlenecks in acceptance and thus time delays or higher acceptance costs as a result of changes to permanent disposal site conditions, which are passed on to the disposing companies; the provisions created and calculated on the basis of the knowledge and assumptions available today may, therefore, not be sufficient to cover the actual disposal costs.

For this reason, the management places the highest priority on the processing and timely disposal of these contaminated sites.

3.11 MAIN CUSTOMER RISK

Probability of occurrence: **medium**/Intensity: **low**
There is a risk that main customers will reduce their acceptance volumes individually or collectively. The lower demand from one of the main customers would have an adverse impact on the Group's financial performance. The Group's ten largest customers account for nearly 25% of operating revenue. In 2021, this was mainly due to the very healthy order pipeline in the radiopharmaceutical sector. This revenue performance is expected to be repeated in 2022, as Eckert & Ziegler attaches importance to long-term arrangements or contracts.

3.12 RESEARCH AND DEVELOPMENT RISKS

Probability of occurrence: **medium**/Intensity: **medium**
The Eckert & Ziegler Group carries out its own research projects where possible. These projects mainly involve the enhancement of the company's own existing products in order to maintain or reduce the competitive situation compared to the competition and alternative application methods. These measures may prove unsuccessful as a result of faster market developments, incorrect targets or non-achievement of the development objectives. Through market observations and project management-related measures, an attempt is made to minimise the risks.

3.13 RISK DEVELOPMENT

To the extent reasonable and feasible, we have taken counter-measures and/or, in the case of corresponding probability, accounting-related steps for the discernible risks of the Eckert & Ziegler Group that may have an adverse impact on the Group's net assets, financial position and financial performance.

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

The main changes to risks result from the challenges posed by the military attack by Russia on Ukraine. Eckert & Ziegler has adjusted administrative procedures and established alternative transport routes. So far, we have not been faced with insurmountable obstacles and continue to receive deliveries from Russia. Moreover, the world economy also continues to face challenges posed by the global pandemic and the consequences resulting from it. Although the critical point in the COVID-19 pandemic has purportedly been surpassed, there continues to be a risk of business interruption through proven infections. Moreover, we are attempting to minimise the risk of infection by dividing employees into smaller, redundant work groups that are kept strictly separated from one another in terms of space and, where possible, time, offering tests and promoting mobile working where possible. In times of COVID-19, a disruption to the supply chain continues to be a risk. Based on experiences in 2021, however, we expect that we will remain able to procure raw materials and supply customers.

3.14 OPPORTUNITY REPORT

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

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

To this end, the Group is participating in development projects (e.g. Pentixapharm, Myelo) and investing worldwide in additional laboratories and production sites for radioisotopes (among others, in China). The purchase of companies and/or participations also serves the purpose of opening up new business areas for the Group or making production processes more cost-efficient. An example of this is the joint venture agreement concluded in January 2022 with Atom Mines LLC (Texas, USA). Eckert & Ziegler co-financed the development of a new process for manufacturing ytterbium-176, which is indispensable for the production of lutetium-177, and this gives the company the exclusive ability to use this high-purity ytterbium-176 to make lutetium-177 n.c.a. in pharmaceutical quality. Successfully completed development projects give rise to opportunities for disproportionate organic growth. Also in January 2022, Eckert & Ziegler acquired an Argentinian manufacturer of technetium-99 generators with a portfolio of related biomolecules and is thus taking initial steps to enter the global SPECT market. With the emergence of new proprietary SPECT tracers, demand is expected to rise significantly, nearly doubling in the next five years. Eckert & Ziegler sees enormous opportunities here.

Other successful development projects could lead to non-organic growth through new products in the portfolio and thus new business areas. Both would have a positive effect on market share and competitiveness and lead to a considerable increase in income. In this regard, one focus is on the development and manufacture of radionuclides that emit alpha radiation (e.g. actinium-225).

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

3.15 ACCOUNTING-RELATED RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

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

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

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

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

4. FORECAST REPORT

4.1 COMPARISON WITH THE PREVIOUS YEAR

Forecasts for the 2021 financial year prepared in March 2021 had put revenue at nearly € 180 million and consolidated profit at € 29 million. At the beginning of the third quarter of 2021, the forecasts were adjusted, stating that consolidated profit was expected to reach € 35 million, or € 1.70 per share. With revenue of € 180.4 million and consolidated profit of € 34.5 million, or € 1.67 per share, the Group mainly achieved the elevated targets as well.

For 2021, Eckert & Ziegler AG as a holding company had forecast revenue of € 7 million, negative EBIT of € 3 million, dividend and profit-transfer income of € 15 million and net profit of € 12 million. It substantially exceeded these plan values with revenue of € 8 million, negative EBIT of € 3 million, dividend and profit-transfer income of € 33 million and net profit of € 23 million.

4.2 SITUATION AT THE BEGINNING OF 2022 AND FORECAST FOR THE YEAR

Following the severe collapse in 2020, the world economy made a considerable recovery and grew in 2021. In its economic forecast published in late January, the International Monetary Fund (IMF) is expecting this growth to slow down somewhat, from 5.9% in 2021 to 4.4% in 2022. The IMF attributes this to the ongoing coronavirus restrictions and, above all, rising energy prices and inflation. The IMF forecast did not take into account the war that broke out in Ukraine in February. It is hampering further growth. In a publication of 17 March 2022, the Kiel Institute for the World Economy (IfW) estimated that global economic growth would fall to 3.5%.

Thus, the basic macroeconomic conditions have not improved in comparison to the previous year. The threat of a resurgence of the pandemic still hovers over society. It cannot be ruled out that coronavirus infections will in future affect the departments of Eckert & Ziegler, leading to temporary forced closures of business units. Since the majority of products cannot be produced for stockpiling, such closures would have a direct impact on revenue and income. The Executive Board is seeking to confront the risk by dividing employees into smaller, redundant work groups that are kept strictly separated from one another in terms of time and space. This concept has so far proved successful.

The rise in inflation could also affect Eckert & Ziegler in the medium term, since in the case of medical products whose prices are largely agreed upon by government policy, cost increases can be passed on only to a limited degree. Moreover, COVIDß-19 caused deficits in many national healthcare systems, which could entail forced cost savings in coming years.

Further risks are resulting from the war in Ukraine. Eckert & Ziegler is primarily exposed on the procurement side, since many suppliers are located in Russia. On the other hand, sales to Russia tend to be of minor significance. To date, economic sanctions against Russia have focused on exports, the country's access to capital markets and exposed supporters of the regime. As an importer of Russian input products, Eckert & Ziegler is hardly affected by the measures. At the time this report was printed, it was in any event not apparent to the Executive Board that business would be substantially jeopardised by the sanctions. The procurement from Russia of radioisotopes that are needed for production has not been interrupted, nor have transport and payment transactions. However, if a general embargo is ordered and alternative suppliers cannot be found in 2022 for the radioisotopes concerned, the situation would become more serious. In that case, nearly one-sixth of consolidated revenue would be affected. EBIT would then also be considerably lower than forecast.

Therefore, the following assessment is of course subject to the proviso that Eckert & Ziegler does not experience any further upheavals from the war in Ukraine or the ongoing coronavirus pandemic. Since the Isotope Products segment, which is based in the U.S., makes a significant contribution to the Group's earnings and liquidity, it moreover assumes that the weighted average exchange rate will be USD 1.20 per euro and thus not far above the previous year's figure of USD 1.18 per euro. At the time that the consolidated financial statements were prepared, the exchange rate stood at about USD 1.11.

4.3 FUTURE BUSINESS DEVELOPMENT IN THE ISOTOPE PRODUCTS SEGMENT

Following the decline in revenue in recent years, the Isotope Products segment has returned again to solid growth despite the persistent challenges in connection with the pandemic. We expect that revenue will rise further in 2022. The specialist for medical imaging products, Tecnonuclear (Argentina), which was acquired in early 2022, will bring additional business in South America. Rising energy prices and the search for alternatives to Russian oil and gas are spurring the exploration activities of energy companies and, as a result, the demand for metrological components. It is expected that the business with products for industrial sterilisation and irradiation will recover, since travel restrictions are abating and pent-up demand will have to be covered. On whole, we expect further growth. For 2022, we forecast that the Isotope Products segment will post revenue from external customers of approximately € 115 million and net profit of € 11 million.

4.4 FUTURE BUSINESS DEVELOPMENT IN THE MEDICAL SEGMENT

In the Medical segment, it is becoming apparent that the demand of pharmaceutical companies for radiopharmaceutical products and services is growing unabated. Revenue in this area continues to rise in double-digit amounts. The loss of revenue from tumour irradiation equipment and accessories that had still been recorded in 2021 is being offset by this. Interest remains high for qualified services in relation to development, the construction of production facilities and contract manufacturing. The announced market approvals of new products are expected to provide momentum for pharmaceutical radiodiagnostics, specifically the radionuclide generator GalliaPharm®. The approval of radiotherapeutics for treating prostate carcinomas will stimulate not only the business with radiodiagnostics but also the sale of other therapeutic isotopes, like lutetium-177. Also, the approval of yttrium-90-based radiotherapeutics to fight liver cancer in China is boosting this division. For 2022, it forecasts revenue from external customers of approximately € 85 million and net profit of € 15 million.

4.5 FUTURE BUSINESS DEVELOPMENT IN THE OTHER SEGMENT

The Executive Board is convinced that in 2022, hidden reserves will have to be disclosed in the Other segment to an extent similar to that in the Medical segment in the previous year, such as in the course of planned strategic collaborations or technology sales or transfers. The income resulting from this will be pooled in the Other segment, which will also bear the expense for the development of new products, such as for Pentixapharm. In sum, while it is not expected to generate any outside revenue in 2022, the Other segment is expected to post net profit of about € 13 million.

4.6 FUTURE BUSINESS DEVELOPMENT IN THE GROUP

Based on the foregoing, the Executive Board hopes to build on the record net income in the 2021 financial year and be able to post consolidated net profit of approximately € 38 million in 2022. The associated expectation for revenue is € 200 million. The forecast is conditioned on a weighted average exchange rate of USD 1.20 per euro and the assumption that Eckert & Ziegler will again not suffer any significant upheavals from the war in Ukraine.

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

For 2022, Eckert & Ziegler Strahlen- und Medizintechnik AG is expected to post revenue of just under € 9 million. The forecast revenue is thus slightly above the level of the previous year. The holding company is expected to post an operating loss before interest and taxes (EBIT) of € 2 million. It will be offset by dividend income and profit transfers of €32 million, such that after-tax profit for the 2022 financial year is forecast to come in at about € 21 million.

Eckert & Ziegler intends to conclude a profit and loss transfer agreement with Pentixapharm GmbH in 2022. Provided that the General Meeting approves the agreement, the forecast after-tax profit will fall to approximately € 10 million. Taking into account the existing profit carryforwards, a constant dividend distribution to shareholders is possible.

5. OTHER DISCLOSURES

5.1 EU TAXONOMY

5.1.1 EU taxonomy

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

a) climate change mitigation
b) climate change adaptation
c) sustainable use and protection of water and marine resources
d) transition to a circular economy
e) pollution prevention and control
f) protection and restoration of biodiversity and ecosystems

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

For the 2021 reporting year, the only business activities to be considered are those that contribute substantially to the two environmental objectives "climate change mitigation" and "climate change adaptation". The description of the economic activity in the delegated act establishes which economic activities may as a general rule be taken into consideration.

Pursuant to the relief granted by the EU for the 2021 reporting year, companies are required to disclose only the proportion of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) derived from taxonomy-eligible and taxonomy-complaint economic activities.

As a company obligated to submit a non-financial statement, we as Eckert & Ziegler are required by Article 8(1) of the Taxonomy Regulation to disclose how and to what extent our activities are associated with economic activities that qualify as environmentally sustainable under the EU law on taxonomy. Furthermore, Eckert & Ziegler is obligated to report the indicators defined in the Taxonomy Regulation.

5.1.2 Taxonomy-eligible economic activities

We have compared our company activities with the activities defined in annexes 1 and 2 of the delegated act of 4 June 2021 across all business divisions, including our Isotope Products, Medical and Other segments. We did not classify any of our key business activities as taxonomy-eligible. Our analysis showed that no revenue-generating activity within the meaning of the EU taxonomy is undertaken at this time.

Eckert & Ziegler is not a part of those industries that are responsible for 93.5% of greenhouse gas emissions. Eckert & Ziegler produces only small quantities for its products and is therefore in principle considered a low emitter of carbon dioxide. Above all, however, all energy-intensive raw materials are produced in a climate-neutral manner, since Eckert & Ziegler procures its output materials mainly from operators of nuclear reactors.

5.1.3 Calculation of taxonomy indicators

Revenue

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

Capital expenditure

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

Operating expenditure

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

5.1.4 Presentation of taxonomy indicators

The following presents the indicators calculated in accordance with the foregoing methods:

	Total, in € thousand	Proportion of taxonomy-eligible economic activities, in € thousand	Proportion of taxonomy-eligible economic activities, in %
Revenue	180,435	0	0.0%
Capital expenditure	28,855	64	0.2%
Operating expenditure	6,080*	0	0.0%

* thereof, € 3,783 thousand in non-capitalised costs for research and development.

5.2 NON-FINANCIAL REPORTING

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

5.3 REMUNERATION REPORT

The arrangements for listed stock corporations concerning remuneration reporting were modified by ARUG II and adopted in the German Stock Corporation Act (AktG). Section 162 AktG now obligates listed companies to prepare a separate, joint remuneration report for the Executive Board and the Supervisory Board. It is to be published on the company's website for at least 10 years.

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

5.4 INFORMATION REQUIRED UNDER TAKEOVER LAW

As at 31 December 2020, the company's share capital amounted to € 21,171,932 (previous year: € 21,171,932). It is divided into 21,171,932 no-par value bearer shares. Each share represents one vote and is entitled to a share in profit. There are no shares with multiple, preferential or maximum voting rights.

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

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

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

As at 31 December 2021, the Chairman of the Executive Board, Dr Andreas Eckert, held 6,511,960 shares indirectly through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal, Germany, and 48,004 shares directly, representing a total of 30.8% of the share capital of Eckert & Ziegler Strahlen- und Medizintechnik AG of 21,171,932 shares. As at 31 December 2021, the total holdings of the remaining members of the Executive Board and Supervisory Board of shares issued by Eckert & Ziegler Strahlen- und Medizintechnik AG amounted to less than 1% of the share capital.

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

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

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

The Articles of Association contain general provisions on the form of the company. Pursuant to Section 179 AktG, any amendments to the Articles of Association are subject to the approval of the Annual General Meeting by at least a majority of three-quarters of the share capital represented at the time the resolution is adopted.

On 30 May 2018, the Annual General Meeting adopted a resolution which authorised the Executive Board, subject to the approval of the Supervisory Board, to increase the company's share capital on one or more occasions on or before 29 May 2023 by up to € 264,649 by issuing new no-par-value bearer shares in exchange for cash contributions and/or contributions in kind (Authorised Capital). As a general rule, the new shares are to be offered to shareholders for subscription; they may also be acquired by one or more financial institutions or similar companies on the condition that they offer them to the shareholders for subscription.

With the consent of the Supervisory Board, the Executive Board can:

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

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

By resolution of the Annual General Meeting held on 30 May 2018, the Executive Board is authorised to acquire treasury shares on or before 29 May 2023 up to a total of 10% of the share capital existing at the time the resolution is adopted or – should this be lower – upon exercise of the authorisation. The acquired shares, together with other treasury shares held by the company or attributable to it pursuant to Sections 71d and 71e AktG, may not at any time account for more than 10% of the respective share capital. The authorisation may be exercised in whole or in part, on one or more occasions, in pursuit of one or more purposes by the company or the Group companies, or by third parties on their behalf. The shares may be acquired – at the discretion of the Executive Board – on the stock exchange or by means of a public acquisition offer or a public request to make such an offer.

- If the shares are acquired on the stock exchange, the purchase price per share paid by the company (not including ancillary acquisition costs) may not exceed by more than 10% or fall below by more than 25% the average closing price of the company's stock in the electronic trading system Exchange Electronic Trading (Xetra) (or corresponding successor system) on the Frankfurt Stock Exchange on the last five trading days preceding the acquisition.
- If the shares are acquired on the basis of a public acquisition offer or a public request to make such an offer, the purchase price offered and paid for a share (not including ancillary acquisition costs) may be up to 20% higher or 20% lower than the highest closing price of the company's stock in the electronic trading system Exchange Electronic Trading (Xetra) (or corresponding successor system) on the Frankfurt Stock Exchange on the third trading day prior to publication of the purchase offer. The acquisition offer or the public request to make such an offer may provide for other conditions. The acquisition offer may be modified if the trading price diverges significantly from the offered acquisition price or from the boundary values of any offered price range following publication of the acquisition offer or the public request to make such an offer. In such case, the cut-off date is the day on which the decision by the Executive Board to adjust the offer or the request to make such an offer is published. In the case of a public acquisition offer, the company will make an offer to all shareholders in accordance with their shareholding ratio. The volume of the public acquisition offer may be limited. If the total subscription to the offer exceeds this volume, or in the case of a request to make such an offer, multiple offers are not all accepted, the acquisition takes

place – under partial exclusion of any right to tender – in proportion to the tendered shares (tender ratios) instead of in proportion to the holding of the tendering shareholders (shareholding ratio). Similarly, in order to avoid fractional amounts, provision may be made for commercial rounding and preferred consideration of small quantities of up to 100 shares for the purpose of acquiring tendered shares of the company per shareholder, under partial exclusion of any right of the shareholders to tender.

- The Executive Board is authorised to use shares of the company acquired on the basis of this authorisation for all purposes permitted by law. In particular, the Executive Board may sell them through the stock exchange or an offer made to all shareholders. The uses include but are not limited to the following purposes:
- The shares may be redeemed without the redemption or its implementation requiring another resolution of the Annual General Meeting. They may also be redeemed in a simplified procedure without a capital reduction by adjusting the proportionate arithmetical amount of the remaining no-par-value shares in the company's share capital. The cancellation may be limited to part of the acquired shares. The authorisation to redeem shares may be exercised multiple times. If the redemption is carried out using the simplified procedure, the Executive Board is authorised to amend the number of no-par-value shares in the Articles of Association.
- The shares may also be sold in other ways than through the stock exchange or by an offer to all shareholders if the shares are sold for cash at a price that is not significantly below the arithmetic mean of the Xetra closing prices of the company's shares on the Frankfurt Stock Exchange on the last five trading days preceding the sale. In this case, the number of shares to be sold in accordance with Section 186 (3) sentence 4 AktG (excluding subscription rights in exchange for cash contributions close to the market price) may not exceed 10% of the share capital, either at the time the resolution is passed or at the time the authorisation is exercised. Shares issued or sold in direct or analogous application of Section 186 (3) sentence 4 AktG during the period of this authorisation up to this point in time are to count towards this limit. This also covers shares issued from authorised capital during the period of this authorisation under exclusion of subscription rights in accordance with Section186 (3) sentence 4 AktG.
- The shares may be issued against contributions in kind, in particular also in connection with the acquisition of companies, parts of companies or company participations and mergers of companies as well as the acquisition of other assets for the purpose of expanding business activities.
- The shares may be issued to employees of the company and affiliated undertakings as well as to members of the management of affiliated undertaking and used to service rights or obligations to acquire shares in the company granted to employees of the company and affiliated undertakings as well as members of the management of affiliated undertakings. The shares may also be granted to members of the Supervisory Board as part of remuneration to the extent legally permissible in individual cases.
- Treasury shares may be used to fulfil obligations of the company arising from conversion rights or conversion obligations arising from convertible bonds issued by the company.

As at 31 December 2021, the company held 415,656 (previous year: 581,956) treasury shares with a nominal value of €416 thousand (previous year: €582 thousand), which are deducted from the outstanding capital in the balance sheet.

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

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

5.6 REPORT ON RELATIONSHIPS WITH AFFILIATED COMPANIES

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

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

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

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

Berlin, 29 March 2022

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

Dr Andreas Eckert　　Dr Harald Hasselmann　　Dr Lutz Helmke

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€ thousand	Notes	2020*	2021
Revenue	5	**176,139**	**180,435**
Cost of sales	6	–89,608	–89,356
Gross profit on sales		**86,531**	**91079**
Selling expenses	7	–21,724	–22,614
General administrative expenses	8	–29,680	–31,457
Impairment gains/losses in accordance with IFRS 9	37	–502	–469
Other operating income	11	5,760	16,327
Other operating expenses	12	–6,740	–6,835
Net operating income		**33,645**	**46,031**
Net income from participations measured at equity	13	467	351
Foreign exchange gains	14	1,934	1,981
Foreign exchange losses	14	–3,954	–914
Earnings before interest and taxes (EBIT)		**32,092**	**47,449**
Interest income	15	249	132
Interest expense	15	–1,193	–1,195
Earnings before taxes (EBT)		**31,148**	**46,386**
Income taxes	16	–9,634	–11,729
Consolidated net income		**21,514**	**34,657**
Profit (+)/loss (–) attributable to non-controlling interests	17	227	130
Share of net income attributable to shareholders of Eckert & Ziegler AG		**21,287**	**34,527**
Earnings per share	18		
Undiluted (€ per share)		**1.03**	**1.67**
Diluted (€ per share)		**1.03**	**1.66**
Average number of shares in circulation (undiluted – in thousand units)		20,590	20,696
Average number of shares in circulation (diluted – in thousand units)		20,647	20,748

* *Adjusted due to restatement; see Notes to the Consolidated Financial Statements; Note 3 "SIGNIFICANT ACCOUNTING POLICIES" on page 72*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousand	Notes	2020*	2021
Consolidated net income		**21,514**	**34,657**
thereof attributable to shareholders of Eckert & Ziegler		21,287	34,527
thereof profit (+)/loss (–) attributable to non-controlling interests		227	130
Items that will be reclassified to the income statement in the future under certain circumstances			
Exchange rate differences from the translation of foreign business operations incurred during the financial year		–4,564	2,388
Amount reposted to the income statement		190	–109
Exchange rate differences from the translation of foreign business operations	29	**–4,374**	**2,279**
Items that will not be reclassified to the income statement in the future			
Gain on equity instruments designated at fair value through other comprehen-sive income in other net income		232	322
Deferred taxes		–70	–97
Net gain on equity instruments designated at fair value through other comprehensive income in other net income		**162**	**225**
Gain (+)/loss (–) on defined benefit pension commitments	29,32	–885	1,372
Deferred taxes		279	–433
Net loss from the remeasurement of the defined benefit obligation		**–606**	**939**
		–444	**1,164**
Other comprehensive income after taxes		**–4,818**	**3,443**
Consolidated comprehensive income		**16,696**	**38,100**
Consolidated comprehensive income attributable to:			
Shareholders of Eckert & Ziegler AG		16,500	37,901
Non-controlling interests		196	199

* *Adjusted due to restatement; see Notes to the Consolidated Financial Statements; Note 3 "SIGNIFICANT ACCOUNTING POLICIES" on page 72*

CONSOLIDATED BALANCE SHEET

€ thousand	Notes	Jan 1, 2020	Dec 31, 2020*	Dec 31, 2021
Assets				
Non-current assets				
Goodwill	19	42,059	32,448	33,610
Other intangible assets	19	8,734	6,414	27,821
Property plant and equipment	20	40,005	38,016	61,871
Right-of-use assets (IFRS 16)	21	19,564	19,845	19,300
Interests in associates or joint ventures	23	3,644	6,895	15,086
Deferred tax assets	16	10,920	11,898	11,170
Other non-current assets	22	1,544	1,085	1,271
Total non-current assets		**126,470**	**116,601**	**170,129**
Current assets				
Cash and cash equivalents	24	78,922	87,475	93,659
Securities		0	1,135	1,358
Trade receivables	25	29,484	28,199	31,880
Inventories	26	31,220	33,574	37,356
Income tax receivables	16	2,691	3,027	2,860
Other current assets	27	4,343	5,452	6,348
Non-current assets held for sale and disposal groups	28	0	13,980	4,139
Total current assets		**146,660**	**172,842**	**177,600**
Total assets		**273,130**	**289,443**	**347,729**
Liabilities				
Equity	29			
Subscribed capital		5,293	21,172	21,172
Capital reserves		53,763	54,188	66,162
Retained earnings		84,362	81,019	106,223
Other reserves		–810	–5,597	–2,223
Treasury shares		–5,519	–5,519	–3,942
Equity attributable to shareholders of Eckert & Ziegler AG		**137,089**	**145,263**	**187,392**
Non-controlling interests	17	1,246	1,096	5,134
Total equity		**138,335**	**146,359**	**192,526**
Non-current liabilities				
Non-current loan liabilities	30	19	2	0
Non-current lease liabilities (IFRS 16)	21	17,157	17,852	16,836
Deferred income from grants and other deferred income (non-current)	31	4,128	1,727	2,452
Deferred tax liabilities	16	2,836	2,210	2,228
Provisions for pensions	32	13,487	14,443	13,044
Other non-current provisions	33	51,440	55,743	59,836
Other non-current liabilities	34	2,110	1,983	358
Total non-current liabilities		**91,177**	**93,960**	**94,754**
Current liabilities				
Current loans and financial lease liabilities	30	16	4	7,074
Current lease liabilities (IFRS 16)	21	2,694	2,545	3,056
Trade payables		4,487	5,020	5,578
Advance payments received	35	11,952	8,620	11,644
Deferred income from grants and other deferred income (current)	31	45	38	38
Income tax liabilities	16	5,671	6,899	6,144
Other current provisions	33	3,002	4,062	3,590
Other current liabilities	36	15,751	18,672	22,573
Liabilities directly related to assets held for sale and disposal groups	28	0	3,264	752
Total current liabilities		**43,618**	**49,124**	**60,449**
Total liabilities		**273,130**	**289,443**	**347,729**

* *Adjusted due to restatement; see Notes to the Consolidated Financial Statements; Note 3 "SIGNIFICANT ACCOUNTING POLICIES" on page 72*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in € thousand, excluding subscribed capital	Ordinary shares			
	Number	Nominal value	Capital reserve	Retained earnings
Balance as at 1 January 2021	**21,171,932**	**21,172**	**54,188**	**81,019**
Total income and expenses recognised directly in equity	0	0	0	0
Consolidated net income	0	0	0	34,527
Consolidated comprehensive income	0	0	0	34,527
Dividends paid	0	0	0	–9,323
Shares attributable to minorities for acquisitions and company sales	0	0	0	0
Share-based remuneration	0	0	3,927	0
Use of treasury shares for acquisitions	0	0	8,047	0
Balance as at 31 December 2021	**21,171,932**	**21,172**	**66,162**	**106,223**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in € thousand, excluding subscribed capital	Ordinary shares			
	Number	Nominal value	Capital reserve	Retained earnings
Balance as at 1 January 2020 (prior to adjustment)	**5,292,983**	**5,293**	**53,763**	**85,468**
Adjustment	0	0	0	–1,106
Balance as at 1 January 2020 (after adjustment)	**5,292,983**	**5,293**	**53,763**	**84,362**
Total income and expenses recognised directly in equity	0	0	0	0
Consolidated net income	0	0	0	21,287
Consolidated comprehensive income	0	0	0	21,287
Dividends paid	0	0	0	–8,751
Capital increase	15,878,949	15,879	0	–15,879
Share-based remuneration	0	0	425	0
Balance as at 31 December 2020	**21,171,932**	**21,172**	**54,188**	**81,019**

Cumulative other comprehensive income: Unrealised net expense from actuarial gains/losses	Cumulative other comprehensive income: Unrealised net income from securities	Cumulative other comprehensive income: Foreign exchange translation differences	Treasury shares	Equity attributable to shareholders of Eckert & Ziegler AG	Non-controlling interests	Consolidated equity
–4,536	**162**	**–1,223**	**–5,519**	**145,263**	**1,096**	**146,359**
939	225	2,210	0	3,374	69	3,443
0	0	0	0	34,527	130	34,657
939	225	2,210	0	37,901	199	38,100
0	0	0	0	–9,323	0	–9,323
0	0	0	0	0	3,839	3,839
0	0	0	363	4,290	0	4,290
0	0	0	1,214	9,261	0	9,261
–3,597	**387**	**987**	**–3,942**	**187,392**	**5,134**	**192,526**

Cumulative other comprehensive income: Unrealised net expense from actuarial gains/losses	Cumulative other comprehensive income: Unrealised net income from securities	Cumulative other comprehensive income: Unrealised net income from securities	Treasury shares	Equity attributable to shareholders of Eckert & Ziegler AG	Non-controlling interests	Consolidated equity
–3,930	**0**	**3,120**	**–5,519**	**138,195**	**1,246**	**139,441**
0	0	0	0	–1,106	0	–1,106
–3,930	**0**	**3,120**	**–5,519**	**137,089**	**1,246**	**138,335**
–606	162	–4,343	0	–4,787	–31	–4,818
0	0	0	0	21,287	227	21,514
–606	162	–4,343	0	16,500	196	16,696
0	0	0	0	–8,751	–346	–9,097
0	0	0	0	0	0	–
0	0	0	0	425	0	425
–4,536	**162**	**–1,223**	**–5,519**	**145,263**	**1,096**	**146,359**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ thousand	Notes	2020	2021
Cash flow from operating activities	38		
Consolidated net income		21,514	34,657
Adjustments for:			
Depreciation, amortisation and impairments		10,709	9,595
Net interest income [interest expense (+)/income (–)]		944	1,063
Income tax expense		9,634	11,729
Income tax payment		–10,082	–11,345
Non-cash income from the release of deferred grants		–789	–72
Gain (–)/loss (+) in connection with investing activities		338	–12,435
Change in non-current provisions, other non-current liabilities		5,658	2,074
Change in other non-current assets and receivables		–39	–222
Other non-cash events		–715	2,224
Changes in current assets and liabilities:			
Receivables		121	–3,882
Inventories		–2,355	–5,952
Change in other current assets		–6,079	342
Change in current liabilities and provisions		6,088	6,079
Cash flow from operating activities		**34,947**	**33,855**
Cash flow from investment activities	39		
Expenditures for intangible assets and property, plant and equipment		–7,065	–28,855
Income from the sale of intangible assets and property, plant and equipment		17	172
Expenditures for acquisitions (net of cash acquired)		0	–8,266
Income from the sale of shares in consolidated companies		0	10,391
Expenditures for shares in companies consolidated at equity		–4,360	0
Expenditures for the acquisition of participations		0	0
Income from participations		1,500	2,914
Expenditures for the purchase of securities		–1,004	0
Income from the sale of securities		96	184
Payments related to the granting of loans		–689	–128
Income from the repayment of granted loans		0	0
Cash outflow from investing activities		**–11,505**	**–23,588**
Cash flow from financing activities	40		
Dividends paid		–8,751	–9,323
Distributions on third-party shares		–354	0
Deposits from the taking out of loans		0	7,063
Disbursements for the payment of loans and lease liabilities		–3,021	–2,891
Disbursements for the acquisition of non-controlling interests		0	0
Interest received		118	62
Interest paid		–950	–970
Cash outflow from financing activities		**–12,958**	**–6,059**
Changes in cash and cash equivalents resulting from exchange rates		–1,931	1,976
Decrease/increase in cash and cash equivalents		**8,553**	**6,184**
Cash and cash equivalents at the beginning of the period		**78,922**	**87,475**
Cash and cash equivalents at the end of the period		**87,475**	**93,659**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2021 FINANCIAL YEAR

The Executive Board approved the consolidated financial statements for submission to the Supervisory Board on 29 March 2022. The Supervisory Board is responsible for reviewing and approving the consolidated financial statements. After publication, the financial statements can no longer be amended.

FUNDAMENTALS, PRINCIPLES AND METHOD

1 | ORGANISATION AND DESCRIPTION OF BUSINESS ACTIVITIES

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

Eckert & Ziegler Strahlen- und Medizintechnik AG is a listed company under German law and parent company of the Eckert & Ziegler Group. It has its registered office at Robert-Rössle-Str. 10, in 13125 Berlin (Germany), and is recorded in the commercial register maintained by the Local Court of Berlin-Charlottenburg (Germany) under register number HRB 64997B.

The Group operates in a market characterised by rapid technological progress, high research spending and a constant flow of new scientific discoveries. This market is regulated by German federal, state and local authorities. These regulatory authorities include the Regional Office for Health and Social Affairs Berlin (LAGeSo), the Technical Monitoring Agency (TUV Nord CERT GmbH, Essen), the Federal Institute for Drugs and Medical Devices (BfArM), and the corresponding foreign institutions, such as the US Food and Drug Administration (FDA) or the Nuclear Regulatory Commission (NRC). As a result, the Group is directly affected by changes in technology and in products used in cancer treatment and for nuclear medical imaging, by government regulations related to the industry in which Eckert & Ziegler AG operates, and by the general environment within the healthcare sector.

2 | ACCOUNTING PRINCIPLES

The consolidated financial statements of Eckert & Ziegler AG as at 31 December 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS). The statements comply with all standards of the International Accounting Standards Board (IASB), London, to be applied in the EU on the reporting date, the relevant interpretations of the IFRS Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC), as well as the provisions of the German Commercial Code (HGB), which apply in addition pursuant to Section 315e (1) HGB. The consolidated financial statements present a true and accurate view of the Group's net assets, financial position and financial performance.

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

The financial statements of the subsidiaries were prepared as at the reporting date for the consolidated financial statements, which corresponds to the reporting date for Eckert & Ziegler AG. The consolidated financial statements cover the reporting period from 1 January to 31 December 2021. The consolidated income statement was prepared in accordance with the cost-of-sales method. Other net income was presented in the consolidated statement of comprehensive income.

The consolidated financial statements and the combined management report as at 31 December 2021 are published in the German Federal Gazette (Bundesanzeiger).

Since 1 January 2020, annual financial reports are published in the uniform ESEF format – European Single Electronic Format.

3 | SIGNIFICANT ACCOUNTING POLICIES

Change to the accounting of customisation costs for cloud-based software solutions

In April 2021, the IFRS Interpretation Committee published its agenda decision on the accounting of customisation costs for cloud-based software solutions (Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38)). As a result of this final decision, the company changed its previous accounting method with respect to the accounting of customisation costs.

Since 2018, the costs in connection with the initial set-up and configuration of a new ERP system that runs as a cloud solution have been capitalised as an internally generated intangible asset pursuant to IAS 38.57. In its agenda decision, the IFRS IC clarifies that, as a rule, customisation costs may be capitalised as intangible assets only if the software concerned is controlled by the accounting entity as an intangible asset and accordingly capitalised by it.

The clarification by the IFRS IC provides new findings to that effect in the application of the rules, which ensure an improved presentation. In this regard, the customisation costs were retrospectively taken into consideration as expenses for the relevant financial year. The comparative amounts for 2020 have been adjusted in such a way as if the customisation costs in 2020 and previous years had been recognised as an expense in the relevant year. The adjusted and original amounts in the balance sheet, income statement and statement of cash flows are shown in the following presentation:

	1 January 2020			31 December 2020		
€ thousand	prior to adjustment	adjustment	after adjustment	prior to adjustment	adjustment	after adjustment
Balance sheet – assets						
Other intangible assets	9,840	–1,106	8,734	8,974	–2,560	6,414
Total non-current assets	127,576	–1,106	126,470	119,161	–2,560	116,601
Total assets	274,236	–1,106	273,130	292,003	–2,560	289,443
Balance sheet – liabilities						
Retained earnings	85,468	–1,106	84,362	83,722	–2,703	81,019
Other reserves	–810	–	–810	–5,740	143	–5,597
Total equity	139,441	–1,106	138,335	148,919	–2,560	146,359
Total liabilities	274,236	–1,106	273,130	292,003	–2,560	289,443

				2020		
				prior to adjustment	adjustment	after adjustment
Income statement						
General administrative expenses	–	–	–	–28,083	–1,597	–29,680
Net operating income	–	–	–	35,242	–1,597	33,645
Earnings before interest and taxes (EBIT)	–	–	–	33,689	–1,597	32,092
Earnings before taxes (EBT)	–	–	–	32,745	–1,597	31,148
Consolidated net income	–	–	–	23,111	–1,597	21,514
Share of net income attributable to shareholders of Eckert & Ziegler AG	–	–	–	22,884	–1,597	21,287
Earnings per share						
Undiluted (€ per share)	–	–	–	1.11	–0.08	1.03
Diluted (€ per share)	–	–	–	1.11	–0.08	1.03
Cash flow						
Consolidated net income	–	–	–	23,111	–1,597	21,514
Adjustments for:						
Depreciation/amortisation	–	–	–	10,952	–243	10,709
Cash flow from operating activities	–	–	–	36,787	–1,840	34,947
Expenditures for intangible assets and property, plant and equipment	–	–	–	–8,905	1,840	–7,065
Cash inflow from investing activities	–	–	–	–13,345	1,840	–11,505
Increase in cash and cash equivalents	–	–	–	8,553	–	8,553

Accounting policies – Uniform accounting policies, which were also used for the comparative information of the previous year, are applied for the recognition of assets and liabilities of the domestic and foreign subsidiaries included by way of full consolidation.

Recognition – In the balance sheet, a distinction is made between non-current and current assets and liabilities as required by IAS 1.56 (Presentation of Financial Statements).

Estimates and assumptions – When preparing the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that affect the amount and presentation of recognised assets and liabilities and income and expenses. Significant assumptions and estimates are made concerning useful lives, income achievable from intangible assets and property, plant, and equipment, the recoverability of receivables, the accounting and measurement of provisions, as well as the amount and recoverability of deferred tax assets. The premises underlying these assumptions and estimates are based on the knowledge currently available at the given time. Actual amounts may differ from the originally expected estimates because conditions might develop differently than assumed. Sensitivity analyses are used to assess the sensitivity of carrying amounts to the assumptions and estimates underlying the calculation of the carrying amounts. Where changes in estimates would have a significant impact, disclosures are made in accordance with IAS 1.125.

Discretionary decisions in applying accounting policies – Non-current intangible assets and property, plant and equipment are measured in the balance sheet at amortised cost. No use was made of the option to measure these assets at fair value.

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

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

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

- technical feasibility of completing the intangible asset
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- existence of a market for or internal use of the intangible asset
- availability of technical and financial resources to complete the development
- ability to measure reliably the expenditure attributable to the development

Capitalised development costs consist of all directly attributable costs that are incurred from the date when all capitalisation criteria have been met. After successful completion of the development project, capitalised development costs are amortised over the planned economic life of the product and the amortisation of capitalised development costs is presented under cost of sales In accordance with IAS 38.108, intangible assets with an indefinite useful life are not to be amortised. Instead, they are to be tested annually for impairment in application of the rules of IAS 36.

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

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

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

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

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

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

A significant portion of the Group's depreciable assets is used to manufacture products. The Executive Board assesses the impairment of these assets by taking into account triggering events in the business environment. The Executive Board assumed that there was no impairment of usability as at 31 December 2021. However, the Executive Board's assessments regarding the ability to use and exploit the Group's depreciable assets may change, even in the short term, due to technological developments or changes in the regulatory environment.

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

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

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

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

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

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

Medium-term planning:
Medium-term planning is based on historical empirical values and takes into account segment-specific market growth expectations.

Discount rates:
The discount rates were determined based on the average weighted cost of capital that is customary for the industry.

Growth rates:
The growth rates are based on published, industry-specific, market research.

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

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

Trade receivables – After initial recognition, trade receivables are measured at amortised cost less impairment losses. Receivables that are not individually identified as impaired are written down based on empirical values in order to anticipate expected bad debts. Trade receivables are measured by taking expected losses into consideration (IFRS 9 expected credit loss model). In this regard, expected credit losses are calculated by taking into consideration historical and forward-looking information about probability of default and loss ratio.

Derivative financial instruments – As a rule, derivative financial instruments such as swaps are used only for hedging purposes. They are measured in the consolidated balance sheet at fair value and changes in value are recognised in profit or loss as the measurement unit is not presented separately due to the failure to meet comprehensive documentation requirements.

Cash and cash equivalents –The Group considers all cash and demand deposits, as well as cash equivalents that can be converted into cash at short notice and are not subject to any significant fluctuations in value (highly liquid assets) with a maturity of up to three months, to be liquid assets, which are presented under cash and cash equivalents. Due to their short-term nature, the nominal value of these funds is considered to be their fair value.

Other assets – Other financial assets are measured at amortised cost or at fair value through profit or loss. Other non-financial assets are measured at amortised cost. Individual risks are taken into account through corrections to value (individual impairment losses).

Financial liabilities – Financial liabilities include, in particular, trade payables, liabilities to financial institutions and other financial liabilities. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss.

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

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

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

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

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

In addition, radioactive waste arising from ongoing production and radioactive waste collected by third parties is included and measured at the expected cost of disposal or processing. These expenses are recognised under cost of sales.

Leases – From 1 January 2019, lease contracts are accounted for in accordance with IFRS 16 “Leases”. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an identified asset is conveyed in many contracts, irrespective of their form, e.g. in rental, lease, and service contracts but also as part of outsourcing agreements. As a lessee, the Group recognises leases in accordance with the so-called right-of-use model (IFRS 16.22), irrespective of the economic (ownership) of the leased object upon lease commencement. Lessees can elect not to apply the right-of-use model to intangible assets, other than those already explicitly excluded from the scope of IFRS 16.

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

Lease liabilities include the following lease payments over the term of the lease:
- ixed payments
- variable payments
- expected residual value payments under residual value guarantees
- the exercise price of a purchase option
- payments of penalties for terminating the lease, if an option to terminate is exercised

Right-of-use assets are measured at cost, which comprises the following:
- lease liability
- initial direct costs
- restoration obligations

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

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

The period between the payment by the customer and the transfer of goods or services to the customer is one year or less. For this reason, no financing component is included in the transaction price. Where the contract has multiple identifiable performance obligations, the transaction price will be divided between the individual performance obligations based on the individual selling prices. As a rule, goods and services are sold at individual selling prices. Revenue from contracts with customers are recognised both over time and at a point in time. Temporal differences between performance and the receipt of payment may give rise to contractual assets or liabilities.

Revenue from the sale of goods: Revenue from the sale of goods is recognised at the time of delivery, because control is transferred to the customer at this point in time. Payment is due upon delivery.

Revenue from the provision of services: Revenue from the provision of services is recognised over the period in which the services are provided (on a straight-line basis, e.g. rental or licensing income, or based on the percentage of completion in the case of long-term construction contracts). Where an invoice is issued, the right to payment arises after the provision of a service. In the case of long-term contracts, advance payments and payments are generally agreed with customers based on the progress of the project. Advance payments establish contractual liabilities.

If the recognised revenue per service contract exceeds the advance payments as at the balance sheet date, the contract assets are recognised under inventories. A negative balance is shown under advance payments received.

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

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

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

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

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

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

Share-based remuneration – For several years, the Group has had a remuneration plan in place that provides for compensation in shares. Under this plan, members of the Executive Board and select managers receive a portion of their performance-based remuneration components in the form of shares. Pursuant to IFRS 2, this share-based remuneration is accounted for in equity.

Segment reporting – Pursuant to the so-called "management approach", the segment reporting of the Eckert & Ziegler Group is geared to the internal organisational and reporting structure. The Group has two main segments: the Medical segment and the Isotope segment.

NEW ACCOUNTING STANDARDS

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

Accounting standards applied for the first time in the current financial year:

The new or amended standards and interpretations listed below were first applied from 1 January 2021.

- Amendments to IFRS 16: COVID-19-related rent concessions – extension
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: interest rate benchmark reform – Phase 2

Amendments to IFRS 16: COVID-19-related rent concessions – extension

Due to the ongoing effects of the COVID-19 pandemic, the International Accounting Standards Board (IASB) amended IFRS 16 Leases on 1 April 2021 in order to enable a one-year extension of the practical expedient that assists lessees in accounting for COVID-19-related rent concessions. The amendments expand the practical expedient to rent concessions that reduce lease payments that are originally due on or before 30 June 2022. Previously, the expedient covered only rent concessions that reduce lease payments that are or were due on or before 30 June 2021.

The Group began to apply the amendments effective 1 January 2021 and this had no material effect on the consolidated financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: interest rate benchmark reform – Phase 2

The planned elimination of interbank offered rates (IBORs) as the benchmark interest rate will have an impact due to the affected interest rate components, particularly for hedge accounting under IFRS. The amendments cover exceptions and relief for hedging relationships that are directly affected by the IBOR reform, i.e. those for which uncertainties arise about the timing or amount of the interest rate benchmark-based cash flows of the hedged item or the hedging instrument. Also, additional disclosures under IFRS 7 are required.

With Phase 2: A change in the calculation of contractual payment flows as a result of the IBOR reform may constitute a modification even if none of the contractual terms change. This addresses the treatment of variable-yield financial instruments that are measured at amortised cost. It specifies that, as a rule, a re-estimation of the contractual payment flows due to the adjustment of the variable interest rate to match the reference interest rate in line with the market has no effect on the carrying amount of the financial instrument.

The amendments provide a temporary exemption from certain hedge accounting rules and thus a continuation of hedge accounting following transition to the new reference interest rates. It is possible to change the reference interest rate through retroactive adjustment of the hedge documentation.

The Group began to apply the amendments effective 1 January 2021, and this had no material effect on the consolidated financial statements.

IFRS, IFRIC and amendments that were adopted by the EU on or before 31 December 2021 but are first required to be applied in later reporting periods

The following IFRS, IFRIC and amendments adopted by the EU were issued on or before 31 December 2021, but their application is first mandatory in later reporting periods unless an entity opts for early adoption. The company did not opt for early adoption in these consolidated financial statements.

Amendment/standard	Date of publication	Date of adoption by the EU	Application date (EU)*
Amendments to IFRS 3: Reference to the 2018 Con-ceptual Framework	14 May 2020	28 June 2021	1 January 2022
Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	14 May 2020	28 June 2021	1 January 2022
Amendments to IAS 16: Property, Plant and Equip-ment – Proceeds before Intended Use	14 May 2020	28 June 2021	1 January 2022
Improvements to IAS 1, IFRS 9, IFRS 16 and IFRS 41	14 May 2020	28 June 2021	1 January 2022
IFRS 17 Insurance Contracts and amendments to IFRS 17	18 May 2017/25 June 2020	19 November 2021	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	12 February 2021	2 March 2022	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	12 February 2021	2 March 2022	1 January 2023

** Relates to the start of the first financial year that begins on or after the specified date.*

IFRS, IFRIC and amendments that were published on or before 31 December 2021 but have not yet been adopted in the EU

The following standards, as well as interpretations and amendments to existing IFRS, which have also been published by the IASB, do not yet have to be applied to the consolidated financial statements as at 31 December 2021. This application presupposes that they will be adopted in the EU through IFRS endorsement.

Amendments/standard/interpretation	Date of publication	Date of adoption by the EU *	Application date EU	Potential impact on future financial statements
Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Amendment to IAS 1)	23 January 2020/ 15 July 2020	still pending	1 January 2023	undetermined
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Lia-bilities arising from a Single Transaction	7 May 2021	still pending	1 January 2023	undetermined
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	9 Decem-ber 2021	still pending	1 January 2023	undetermined

CONSOLIDATION METHODS

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

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

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

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

SCOPE OF CONSOLIDATION

The subsidiaries included in the 2021 consolidated financial statements are:

	Voting rights
Pentixapharm GmbH, Würzburg (since 16 April 2021)	90.6%
Eckert & Ziegler BEBIG GmbH, Berlin	100%
Eckert & Ziegler BEBIG Projekte UG (limited liability), Berlin*	100%
Eckert & Ziegler Iberia S.L., Madrid, Spain*	100%
Eckert & Ziegler BEBIG SARL, Paris, France*	100%
Eckert & Ziegler BEBIG Ltd., Didcot, United Kingdom*	100%
Medwings SA, Lisbon, Portugal*	100%
WOLF-Medizintechnik GmbH, St. Gangloff*	100%
Eckert & Ziegler Radiopharma GmbH, Berlin	100%
Eckert & Ziegler Radiopharma Projekte UG (limited liability), Berlin*	100%
Eckert & Ziegler Eurotope GmbH, Berlin*	100%
Eckert & Ziegler Radiopharma Inc., Hopkinton, USA*	100%
Qi Kang Medical Technology (Changzhou) Co., Ltd., Changzhou, China (since 15 April 2021)	100%
Eckert & Ziegler Isotope Products Holdings GmbH, Berlin	100%
Eckert & Ziegler Chemotrade GmbH, Düsseldorf*	100%
Eckert & Ziegler Isotope Products GmbH, Berlin*	100%
Eckert & Ziegler Cesio s.r.o., Prague, Czech Republic*	88.9%
Eckert & Ziegler Isotope Products Inc., Valencia, USA**	100%
Eckert & Ziegler Analytics Inc., Atlanta, USA*	100%
Eckert & Ziegler Nuclitec GmbH, Braunschweig*	100%
GBT Finanzen GmbH, Dresden (formerly: Eckert & Ziegler Systems GmbH, Dresden)*	100%
Eckert & Ziegler Isotope Products SARL, Les Ulis, France*	100%
Eckert & Ziegler Brasil Participações Ltda., São Paulo, Brazil*	100%
Eckert & Ziegler Brasil Comericial Ltda., São Paulo, Brazil*	100%
Eckert & Ziegler Brasil Logistica Ltda., São Jose do Rio Preto, Brazil* (until 1 June 2021, when merged into Eckert & Ziegler Brasil Comericial Ltda.)	100%
Ambientes Radioproteção São Paulo, Brazil* (since 2 August 2021)	100%
Gamma-Service Recycling GmbH, Leipzig*	100%
Gamma-Service Medical GmbH, Leipzig*	100%
Isotope Technologies Dresden GmbH, Dresden*	100%
ISOTREND spol s.r.o., Prague, Czech Republic*	100%
Eckert & Ziegler Umweltdienste GmbH, Braunschweig*	100%
Eckert & Ziegler Environmental Services Ltd., Didcot, United Kingdom*	100%

* *Indirect participation*
** *Eckert & Ziegler Isotope Products Inc. has made a commitment to its bank to comply with certain financial covenants. The payment of a dividend by Eckert & Ziegler Isotope Products Inc. to Eckert & Ziegler AG is possible only if this does not breach these covenants.*

CHANGES TO THE SCOPE OF CONSOLIDATION

In the 2021 financial year, the following shares in companies were acquired or sold and changes were made to the scope of consolidation (acquisitions are presented in Note 41):

With effect on 1 January 2021, Eckert & Ziegler Isotope Products Holdings GmbH sold all of its shares in GSG International GmbH.

With effect on 1 January 2021, Gamma Service Recycling GmbH sold all of its shares in IPS International Processing Services GmbH.

On 24 March 2021, Eckert & Ziegler BEBIG GmbH sold 51% of the shares in BEBIG Medical GmbH, to which it had spun off its business with tumour irradiation equipment, to TCL Healthcare Equipment in Shanghai, China. BEBIG Medical GmbH and its subsidiaries (Mick Radio-Nuclear Instruments Inc. and BEBIG Medical (Shanghai) Co. Ltd. (formerly TCL Eckert & Ziegler BEBIG Healthcare (Wuxi) Co. Ltd.)) were deconsolidated in the consolidated financial statements with effect on 24 March 2021. The 49% stake in BEBIG Medical GmbH remaining in the Group has since been accounted for in the consolidated financial statements in accordance with the equity method.

- On 16 April 2021, Eckert & Ziegler Strahlen- und Medizintechnik AG acquired 83% of the shares in Pentixapharm GmbH, Würzburg. Pentixapharm is developing a radiopharmaceutical combination product to treat lymphoma and a series of related tumours. Depending on whether it is combined with the radionuclide gallium-68 or with yttrium-90, it can be used both to diagnose and to treat cancer diseases. Pentixapharm has already received preliminary approval from the European Medicines Agency to conduct advanced clinical trials for its diagnostic agent PENTIXAFOR. Pentixapharm management expects that it will have completed the approval process in about three years. Eckert & Ziegler AG plans to continue financing the approval process through further investments following the takeover of Pentixapharm. As part of this process, Eckert & Ziegler AG increased its holding in Pentixapharm GmbH to 91% by the end of the financial year.
- On 2 August 2021, Eckert & Ziegler Brasil Participações Ltda. acquired 100% of the shares in Ambientis Radioproteção, with registered office in São Paulo, Brazil. The company, which has annual revenue in the low seven figures and 24 employees, possesses extensive experience and approvals in the area of metrology and logistics for radioactive substances. Ambientis is the only ISO 17025-certified measurement laboratory in Brazil and South America. The acquisition is a further component of the growth strategy for South America. The created synergies will help to increase market opportunities both for the industrial segment and for the region's Radiopharma and Nuclear Medicine areas.
- On 15 April 2021, Qi Kang Medical Technology (Changzhou) Co., Ltd. in Changzhou, China, was formed as a wholly owned subsidiary of Eckert & Ziegler Radiopharma Projekte UG (limited liability).
- In May 2021, Eckert & Ziegler Systems GmbH was sold by Eckert & Ziegler Radiopharma GmbH within the Group to Eckert & Ziegler Nuclitec GmbH (51% of the shares) and to Eckert & Ziegler Umweltdienste GmbH (49% of the shares). As part of the sale, the company was renamed GBT Finanzen GmbH.
- Effective 1 June 2021, Eckert & Ziegler Brasil Logistica ltda. was merged into Eckert & Ziegler Brasil Comercial Ltda.

The following changes were made to the scope of consolidation in the 2020 financial year:
- Eckert & Ziegler BEBIG Servicos De Consultoria Em Produtos De Radioterapia Ltda., Fortaleza, ceased doing business and was then liquidated. Therefore, the company was deconsolidated in the consolidated financial statements in January 2020.
- In December 2020, BEBIG Medical GmbH was formed as a wholly owned subsidiary of Eckert & Ziegler BEBIG GmbH.
- In the 2020 financial year, Eckert Ziegler Radiopharma Projekte UG (limited liability) and Eckert Ziegler Systems GmbH were formed as wholly owned subsidiaries of Eckert & Ziegler Radiopharma GmbH.

INTERESTS IN JOINT VENTURES

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

CURRENCY TRANSLATION

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

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

In preparing the individual financial statements for Group companies, transactions denominated in currencies other than the functional currency of the Group company are translated at the exchange rate prevailing on the transaction date. Monetary items are measured at the average exchange rate on each reporting date. Non-monetary items denominated in foreign currencies measured at historical cost are translated at the exchange rate prevailing at the time of initial recognition. Any resulting currency gains and losses as at the reporting date are recognised through profit and loss in the income statement.

The following exchange rates were used for currency translation:

Country	Currency	31 Dec 2021	31 Dec 2020	Average exchange rate 2021	Average exchange rate 2020
USA	USD	1.13	1.23	1.18	1.14
CZ	CZK	24.86	26.24	25.64	26.45
UK	GBP	0.84	0.90	0.86	0.89
RU	RUB	85.30	91.47	87.13	82.76
BR	BRL	6.31	6.37	6.38	5.89
IN	INR	84.23	89.66	87.43	84.65
CH	CHF	1.03	1.09	1.08	1.07
CHN	CNY	7.19	8.02	7.63	7.87

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

Changes to the scope of consolidation and the initial application of new accounting standards in the 2021 consolidated financial statements had no material effect on the Group's net assets, financial position and financial performance.

NOTES CONCERNING THE CONSOLIDATED INCOME STATEMENT

5 | REVENUE

The Group generates revenue under contracts with customers mainly from the sale of goods and, to a minor extent, the provision of services. Revenue is recognised both at a point in time and over a period of time.

Revenue rose from € 176,139 thousand to € 180,435 thousand in the financial year and consisted of the following:

€ thousand	2021	2020
Revenue from the sale of goods	153,094	149,782
Revenue from the provision of services	24,696	23,016
Revenue from construction contracts	2,645	3,341
Total	**180,435**	**176,139**

The Group accounts for its revenue in compliance with IFRS 15 "Revenue from Contracts with Customers". The vast majority of the Group's revenue is based not on multi-element contracts but instead on the following simple process: "price negotiation – order – delivery or provision of the service – invoicing – payment". In this area, the application of the new IFRS 15 standard did not result in any changes, as revenue is recognised upon transfer of economic ownership, i.e. when goods are sold or services rendered.

In the Medical segment and in one area of the Isotope Products segment, a comparatively small proportion of the Group's total revenue is earned on the basis of multi-element contracts. In accordance with IFRS 15, these contracts are subjected to a detailed analysis.

The projects in the Medical segment are mainly structured in such a way that all performance obligations of the company are priced separately in the contract at the regular individual selling price. The respective performance is also invoiced separately only after the company has met its obligations under the contract (i.e. delivered the product or provided the agreed service), and the revenue is recognised upon transfer of economic ownership.

For projects in the plant engineering area, which are allocated to the Medical segment, contracts with customers generally address the provision of the service over a certain time frame. The analysis of these contracts has shown that, even under the application of IFRS 15, revenue should be recognised in accordance with the rules of the POC method.

In the 2021 and 2020 financial years, the Group generated revenue from such contracts with customers in accordance with the POC method amounting to € 2,645 thousand (previous year: € 3,341 thousand). The cost-to-cost method was applied to determine the degree of completion.

€ thousand	2021	2020
Revenue	2,645	3,341
Contract costs	–2,281	–2,978
Profit	364	362
Manufacturing contracts in progress as at the reporting date:		
Revenue earned	5,783	3,138
Advance payments received	–5,422	–3,180
Manufacturing contracts with a credit balance	106	0
Manufacturing contracts with a debit balance	0	–511

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

In the year under review, longer-term plant engineering contracts that had not yet been fully performed by the end of the year generated revenue totalling € 828 thousand (previous year: € 544 thousand). Of the remaining performance obligations, agreed transaction prices amounted to € 5,171 thousand (previous year: € 7,078 thousand), which are expected to be realised during the 2022 financial year.

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

6 | COST OF SALES

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

In the year under review, impairments on inventories were reduced by € 680 thousand.

7 | SELLING EXPENSES

Selling expenses are broken down as follows:

€ thousand	2021	2020
Personnel costs and related personnel expenses	11,580	11,398
Delivery costs	7,531	7,498
Advertising	261	452
Depreciation and amortisation	1,001	864
Other	2,241	1,512
Total	**22,614**	**21,724**

8 | GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses consisted of:

€ thousand	2021	2020
Personnel costs and related personnel expenses	16,657	15,340
Depreciation/amortisation	3,431	3,826
Insurance, contributions, fees, purchased services	1,705	1,814
Consultancy costs	2,111	2,132
Communication costs	415	456
Rent and ancillary costs	801	322
IR costs	361	421
Other	5,976	5,369
Total	**31,457**	**29,680**

9 | EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

The items of the income statement include personnel expenses and other personnel-related costs of € 61,566 thousand (previous year: € 58,877 thousand).

Personnel expenses for the financial years 2021 and 2020 included, among others:

€ thousands	2021	2020
Wages and salaries	49,894	47,764
Social insurance contributions and expenses for pensions and other employee benefits	6,780	8,294
– thereof for pensions	978	474

The Group companies had 840 employees on average in 2021 (previous year: 798), who worked in the following departments:

€ thousand	2021	2020
Manufacturing	430	391
R&D plant engineering	59	63
Administration	161	137
Sales and distribution	133	152
Quality management	57	56
Total	**840**	**798**

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

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

Expenses totalling € 3,298 thousand (previous year: € 3,004 thousand) that are included in the income statement represent Group contributions payable to the specified pension plans. As at 31 December 2021 and 2020, all contributions due had been paid into the pension plans.

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

10 | AMORTISATION AND IMPAIRMENT LOSSES

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

	2021		2020	
€ thousand	Amortisation	Impairment losses	Amortisation	Impairment losses
Cost of sales	550	0	1,105	0
Selling expenses	474	0	468	0
General administrative expenses	212	0	286	0
Other operating expenses	78	0	33	0
Total	**1,314**	**0**	**1,892**	**0**

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

	2021		2020	
€ thousand	Depreciation	Impairment losses	Depreciation	Impairment losses
Cost of sales	3,580	0	3,943	0
Selling expenses	407	0	278	0
General administrative expenses	993	0	922	0
Other operating expenses	134	0	385	0
Total	**5,114**	**0**	**5,528**	**0**

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

	2021		2020	
€ thousand	Depreciation	Impairment losses	Depreciation	Impairment losses
Cost of sales	769	0	776	0
Selling expenses	120	0	118	0
General administrative expenses	2,226	0	2,345	0
Other operating expenses	7	0	20	0
Total	**3,122**	**0**	**3,259**	**0**

11 | OTHER OPERATING INCOME

In the 2021 financial year, other operating income rose sharply year-on-year by € 10,567 thousand to € 16,327 thousand (previous year: € 5,760 thousand).

The sharp rise was mainly due to income from the sale of interests in consolidated companies totalling € 10,603 thousand, as well as received dividends and income from securities totalling € 2,188 thousand. In addition, other operating income consisted of income from the release of provisions in the amount of € 1,128 thousand (previous year: € 3,889 thousand) and income from the release of special items for grants received in the amount of € 72 thousand (previous year: € 789 thousand).

It also included income from the sale of property, plant and equipment in the amount of € 60 thousand (previous year: € 20 thousand).

12 | OTHER OPERATING EXPENSES

Other operating expenses rose year-on-year by € 95 thousand to € 6,835 thousand (previous year: € 6,740 thousand). In addition to research and development costs of € 3,783 thousand (previous year: € 3,376 thousand), this item mainly included costs for radiation protection and quality assurance of € 1,811 thousand (previous year: € 1,814 thousand), losses from the disposal of non-current assets of € 217 thousand (previous year: € 351 thousand) and losses from the write-down of assets recognised at fair value of € 355 thousand (previous year: € 50 thousand).

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

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

Research and development costs of € 3,783 thousand (previous year: € 3,376 thousand) included amortisation/depreciation and impairment losses in the amount of € 166 thousand (previous year: € 215 thousand), personnel expenses in the amount of € 3,143 thousand (previous year: € 2,794 thousand), material and third-party expenditures in the amount of € 2,338 thousand (previous year: € 234 thousand) and other expenses in the amount of € 676 thousand (previous year: € 133 thousand). Of these costs, € 2,540 thousand was capitalised for ongoing development projects.

13 | NET INCOME FROM PARTICIPATIONS MEASURED AT EQUITY

The Group's participations measured at equity consisted of the joint venture Americium Consortium LLC, Wilmington/Delaware/USA, and participations in the associates ZAO NanoBrachyTech, Dubna/Russia, ZAO Ritverc, St. Petersburg/Russia, Nuclear Control & Consulting GmbH, Leipzig, Myelo Therapeutics GmbH, Berlin, BEBIG Medical GmbH, Berlin (from the time of deconsolidation) and Pentixapharm GmbH, Würzburg (up to the time of initial consolidation following acquisition).

In the 2021 financial year, income from participations measured at equity amounted to € 733 thousand (previous year: € 1,488 thousand) (mainly from ZAO NanoBrachyTech and AO Ritverc).

In addition, the participations in Myelo Therapeutics GmbH and Pentixapharm GmbH (up to the time of initial consolidation following acquisition) resulted in expenses for pro rata losses of € 382 thousand (previous year: € 1,021 thousand).

14 | FOREIGN EXCHANGE GAINS/LOSSES

The measurement of receivables and liabilities denominated in foreign currencies resulted in foreign exchange gains in the amount of € 1,981 thousand (previous year: € 1,934 thousand) and foreign exchange losses in the amount of € 914 thousand (previous year: € 3,954 thousand).

The sharp decline in foreign exchange losses was mainly due to the fact that the U.S. dollar (USD) and the Brazilian real (BRL) were considerably stronger compared with the previous year.

15 | NET INTEREST INCOME/EXPENSE

In the 2021 financial year, interest income on financial assets measured at amortised cost amounted to € 132 thousand (previous year: € 249 thousand) and interest expenses amounted to € 1,195 thousand (previous year: € 1,193 thousand), of which € 688 thousand (previous year: € 733 thousand) related to lease accounting under IFRS 16.

Interest expenses also included € 100 thousand (previous year: € 243 thousand) in non-cash interest expenses from accrued interest on provisions.

16 | INCOME TAXES

The parent company's tax rate for corporate tax, the solidarity surcharge and trade tax used as the Group tax rate to calculate the tax expense in the 2021 and 2020 financial years was 30.175%. The Group tax rate consisted of the following:

	2021	2020
Trade tax base amount	3.5%	3.5%
Trade tax multiplier	410%	410%
Corporation tax	15%	15%
Solidarity surcharge on corporation tax	5.5%	5.5%

The income tax expense [expense (+)/income (–)] was as follows for the financial years ending 31 December 2021 and 2020:

€ thousand	2021	2020
Earnings before taxes		
Germany	37,021	16,822
Foreign subsidiaries	9,365	14,326
	46,386	**31,148**

€ thousand	2021	2020
Current taxes:		
Germany	8,198	8,538
Foreign subsidiaries	3,461	2,418
	11,659	**10,956**

Current taxes in 2021 included € 4 thousand (expense) attributable to previous years (previous year: € –119 thousand).

€ thousand	2021	2020
Deferred taxes:		
Germany	712	–1,656
Foreign subsidiaries	–642	334
	70	–1,322
Total taxes:	**11,729**	**9,634**

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

€ thousand	2021	2020
Basis for determining the tax expense (earnings before taxes)	46,386	31,148
Expected tax expense based on Group tax rate	13,997	9,399
Tax rate differences at subsidiaries	–964	–1,260
Taxes for previous years	4	–119
Taxes on non-deductible expenses	275	1,829
Taxes on tax-exempt income	–3,484	–437
Deferred taxes on the capitalisation of previously unrecognised loss carryforwards	0	–65
Adjustments to deferred tax assets and liabilities arising from temporary differences	–87	253
Impairment losses recognised on deferred tax assets for loss carryforwards	331	0
Use of previously non-capitalised deferred taxes on loss carryforwards	0	–510
Non-capitalised deferred taxes on financial year losses	1,578	507
Other	79	37
Effective tax expense	**11,729**	**9,634**

The following tax rates were used by the parent company as at 31 December 2021 to calculate deferred taxes, which remained unchanged compared to 31 December 2020: 15% corporation tax, 5.5% solidarity surcharge on corporation tax and 14.35% trade tax. For foreign companies, the prevailing local tax rates were applied when calculating deferred taxes.

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

Deferred tax expenses of € 95 thousand (previous year: € 1,587 thousand) and deferred tax income of € 922 thousand (previous year: € 377 thousand) related to changes in tax loss carryforwards in the year under review, while temporary differences included deferred tax expenses of € 897 thousand (previous year: deferred tax income of € 2,533 thousand).

A total of € 2,303 thousand (previous year: € 1,476 thousand) in deferred taxes was capitalised on tax loss carryforwards. The loss carryforwards mainly related to losses in the amount of € 2,195 thousand that were carried forward by the German companies of the Eckert & Ziegler Group.

The losses in Germany and Brazil can be carried forward indefinitely. Loss carryforwards of € 9 thousand related to the loss carried forward by the Czech company ISOTREND spol s.r.o. (Gamma Service Group), which was acquired in 2017, with the carryforward limited to five years.

Of a total of € 2,303 thousand in deferred tax assets on loss carryforwards, € 1,107 thousand (previous year: € 1,447 thousand) related to companies that recorded a tax loss in 2021 but are expected to generate a profit in the future. In the 2021 financial year, no loss carryforwards were utilised (previous year: € 510 thousand) for which no deferred tax assets were recognised for loss carryforwards as at December 31 of the previous year. As at 31 December 2021, the Group had loss carryforwards of € 9,282 thousand (previous year: € 4,039 thousand) for which no deferred tax assets were recognised, because the ability to utilise them is unlikely due to the uncertain earnings forecast or the discontinuation of operations scheduled for the future.

Changes in deferred taxes for temporary differences arising from currency translation amounted to € 146 thousand (previous year: € 73 thousand).

In the year under review, deferred tax expenses of € 433 thousand (previous year: deferred tax income of € 279 thousand) relating to actuarial gains and losses from the measurement of pension provisions were recognised directly in equity.

No deferred tax liabilities were recognised for temporary differences from retained earnings of subsidiaries in the amount of € 60,214 thousand (previous year: € 63,461 thousand), as Eckert & Ziegler AG is in a position to control the timing of the reversal and the temporary differences will not be reversed in the foreseeable future.

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

	Deferred tax assets		Deferred tax liabilities	
€ thousand	2021	2020	2021	2020
Tax loss carryforwards	2,303	1,476	0	0
Non-current assets	1,433	3,136	9,279	8,987
Securities	0	0	167	70
Receivables	9	81	150	84
Liabilities	3,986	4,322	0	0
Inventories	194	149	0	0
Provisions	10,713	9,836	0	0
Other	0	0	100	171
Subtotal	**18,638**	**19,000**	**9,696**	**9,312**
Balance	–7,468	–7,102	–7,468	–7,102
Balance based on the consolidated balance sheet	**11,170**	**11,898**	**2,228**	**2,210**

17 | NON-CONTROLLING INTERESTS

Consolidated net income after taxes includes profit shares attributable to non-controlling interests in the amount of € 130 thousand (previous year: € 227 thousand).

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

ECKERT & ZIEGLER CESIO S.R.O.

€ thousand	Dec 31, 2021	Dec 31, 2020
Current assets	13,041	11,571
Non-current assets	3,495	1,319
Current liabilities	–927	–1,726
Non-current liabilities	–2,699	–538
Equity attributable to shareholders of Eckert & Ziegler AG	11,477	9,510
Equity attributable to non-controlling interests	1,433	1,116

€ thousand	2021	2020
Revenue	7,695	6,351
Expenses	–5,168	–4,403
Net profit for the year	**2,527**	**1,948**
Net profit for the year attributable to shareholders of Eckert & Ziegler AG	2,247	1,732
Net profit for the year attributable to non-controlling interests	280	216
Total net profit for the year	**2,527**	**1,948**
Other net income attributable to shareholders of Eckert & Ziegler AG	60	–248
Other net income attributable to non-controlling interests	8	–31
Total other net income	**68**	**–279**
Comprehensive income attributable to shareholders of Eckert & Ziegler AG	2,307	1,484
Comprehensive income attributable to non-controlling interests	288	185
Comprehensive income	**2,595**	**1,669**
Cash flow prior to dividend payment	2,714	–26

€ thousand	Dec 31, 2021	Dec 31, 2020
Dividends paid on non-controlling interests	0	354

PENTIXAPHARM GMBH

€ thousand	Dec 31, 2021	Dec 31, 2020
Current assets	2,558	0
Non-current assets	25,267	0
Current liabilities	–502	0
Non-current liabilities	–762	0
Equity attributable to shareholders of Eckert & Ziegler AG	24,072	0
Equity attributable to non-controlling interests	2,489	0

€ thousand	2021	2020
Revenue	39	0
Expenses	–1,856	0
Net profit for the year	**–1,817**	**0**
Net profit for the year attributable to shareholders of Eckert & Ziegler AG	–1,667	0
Net profit for the year attributable to non-controlling interests	–150	0
Total net profit for the year	**–1,817**	**0**
Other net income attributable to shareholders of Eckert & Ziegler AG	0	0
Other net income attributable to non-controlling interests	0	0
Total other net income	**0**	**0**
Comprehensive income attributable to shareholders of Eckert & Ziegler AG	–1,667	0
Comprehensive income attributable to non-controlling interests	–150	0
Comprehensive income	**–1,817**	**0**
Cash flow prior to dividend payment	1,950	0

€ thousand	Dec 31, 2021	Dec 31, 2020
Dividends paid on non-controlling interests	0	0

18 | EARNINGS PER SHARE

Earnings per share was calculated as follows:

	As at the end of the year	
€ thousand	2021	2020
Numerator for calculation of the profit and the diluted and undiluted earnings per share – earnings share of the shareholders of Eckert & Ziegler AG	34,527	21,287
Denominator for calculation of undiluted earnings per share – weighted average of the number of shares (in thousands)	20,696	20,590
Denominator for calculation of diluted earnings per share – weighted average of the number of shares (in thousands)	20,748	20,647
Undiluted earnings per share (in €)	1.67	1.03
Diluted earnings per share (in €)	1.66	1.03

NOTES CONCERNING THE CONSOLIDATED BALANCE SHEET

19 | INTANGIBLE ASSETS

The changes in intangible assets from 1 January 2021 to 31 December 2021 are shown in the statement of changes in assets attached to the notes to the consolidated financial statements.

Intangible assets include goodwill, customer relationships, non-compete obligations, patents and technologies, licences and software, capitalised development costs and other intangible assets.

a) Intangible assets not subject to scheduled amortisation

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

There were no additions of goodwill in the 2021 and 2020 financial years. On whole, the items changed as follows:

€ thousand	2021	2020
As at 1 January	32,448	42,059
Disposals	–6	0
Reclassification to assets held for sale	0	–8,000
Currency translation differences	1,168	–1,611
As at 31 December	**33,610**	**32,448**

The rise in goodwill of € 1,168 thousand was due to currency translation differences (previous year: € –1,611 thousand), since a significant amount of goodwill is attributable to companies in the Isotope Products segment, which prepare their accounting in US dollars. In connection with the sale of the HDR business that took place in the first quarter of 2021, € 8,000 thousand of goodwill in the Medical segment was reclassified as assets held for sale.

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

	Goodwill	Goodwill
€ thousand	2021	2020
Isotope Products segment	21,986	21,041
Medical segment	11,624	11,407
thereof Medical Devices business unit	8,869	8,763
thereof other segment business units	2,755	2,644
As at 31 December	**33,610**	**32,448**

Capitalised goodwill was tested for impairment in accordance with IAS 36 in the 2021 financial year. The goodwill was allocated to the relevant cash-generating units (CGUs). These represent the lowest level at which goodwill and assets are monitored for corporate management purposes. The Isotope Products segment constitutes a CGU. The Medical segment includes several business units (BUs), each of which constitutes a CGU.

The value in use of the cash-generating units is derived from the discounted future cash flows that were determined based on the current five-year budgets. For the subsequent period, the cash flows were calculated using a growth rate of 1% (previous year: 1%). The discount rate before taxes was 5.5% (previous year: 5.1%) for the Isotope Products segment and 5.2% (previous year: 5.4%) for the Medical segment.

Impairment testing as at 31 December 2021 did not identify any need to recognise impairment losses based on the respective recoverable amounts, A need to recognise impairment losses was also not identified as at 31 December 2020.

The outcome of impairment testing for the goodwill of the Isotope Products segment and the Medical segment BUs was that there are no conceivable potential changes to key assumptions that could result in the carrying amount of the goodwill exceeding the recoverable amount.

b) Amortised intangible assets for the financial years ended 31 December 2021 and 2020, respectively, consisted of the following:

(1) Acquired intangible assets

	2021 € thousand	remaining amortisation period	2020 € thousand
Customer relationships	1,087	2 to 5 years	1,382
Licenses/software/permits	1,911	1 to 5 years	2,988
Patents/technology	0		1,545
Development projects (in progress)	21,588		0
As at 31 December	**24,586**		**5,915**

The difference between the purchase price of the shares in Pentixapharm GmbH and the carrying amounts recorded at the time of acquisition was recognised under "Acquired intangible assets" since the acquired object is not a business within the meaning of IFRS 3. It is planned to first amortise these costs from the start of production with a useful life until the end of the patent protection period. Until that time, the assets will be regularly tested for impairment. The impairment test as at 31 December 2021 was based on a conservative business plan.

(2) Internally generated intangible assets

	2021 € thousand	remaining amortisation period	2020 € thousand
Software/approvals	595	3 to 10 years	426
Patents/technology	0		73
Development projects (in progress)	2,540		0
As at 31 December	**3,135**		**499**

Intangible assets are amortised using the straight-line method. They are allocated in the income statement to cost of sales, selling expenses, general administrative costs and other operating expenses according to the functional area of the respective intangible assets (also see the remarks in Note 10). The development costs of Pentxapharm GmbH associated with the diagnostic agent PentixaFor were capitalised at the time of acquisition in connection with IAS 38. It is planned to first amortise these costs from the start of production with a useful life until the end of the patent protection period. Until that time, the assets will be regularly tested for impairment.

20 | PROPERTY, PLANT AND EQUIPMENT

The changes in property, plant and equipment from 1 January 2021 to 31 December 2021 are shown in the statement of changes in assets attached to the notes to the consolidated financial statements.

Additions in the 2021 financial year mainly related to investments in land and buildings as well as production facilities for the purpose of building up new production capacities in Asia, America and Europe, the expansion and modernisation of existing production facilities, as well as ongoing replacement investments. In the 2021 financial year, internally manufactured production facilities were capitalised in the amount of € 5,200 thousand (previous year: € 2,392 thousand).

The Group concluded a long-term lease contract in connection with an administration and production building erected by the company in Berlin on third-party property, which will run until 31 December 2024 following the exercise of a renewal option in previous years.

21 | RIGHT-OF-USE ASSETS (IFRS 16)

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

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

The balance sheet shows the following amounts relating to leases:

€ thousand	Dec 31, 2021	Dec 31, 2020
Right-of-use assets		
Buildings	18,692	19,032
Outdoor facilities	472	273
Vehicles	136	540
	19,300	**19,845**
Lease liabilities		
Short-term	3,056	2,545
Long-term	16,836	17,852
	19,892	**20,397**

The income statement shows the following amounts relating to leases:

€ thousand	Dec 31, 2021	Dec 31, 2020
Depreciation of right-of-use assets		
Buildings	2,729	2,844
Outdoor facilities	42	40
Vehicles	387	375
Total (see also Note 10)	**3,158**	**3,259**
Interest expenses (see also Note 15)	679	733
Expenses not include in the measurement of lease liabilities		
For short-term leases	161	33
For leases for low-value assets	49	39

In 2021, lease liabilities gave rise to payments of € 3,654 thousand (previous year: € 3,634 thousand), of which € 2,951 thousand (previous year: € 2,901 thousand) was for the principal portion and € 679 thousand (previous year: € 733 thousand) for the interest portion.

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

€ thousand	Dec 31, 2021
Due within one year	2,994
Due later than one year but less than five years	10,683
Due later than five years	9,633
Total (undiscounted)	**23,310**

22 | OTHER NON-CURRENT ASSETS

Other non-current assets mainly consisted of the asset value of various reinsurance policies in the amount of € 537 thousand (previous year: € 446 thousand), security deposits paid in the amount of € 371 thousand (previous year: € 277 thousand) and other non-current receivables in the amount of € 123 thousand (previous year: € 122 thousand) resulting from a contractual agreement with a customer to convert trade receivables into non-current receivables.

Other non-current assets also consisted of non-current receivables in the amount of € 240 thousand (previous year: € 240 thousand), which become due only when certain conditions occur and which were remeasured at fair value as a result of reduced probability of occurrence in the previous year.

23 | INTERESTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Group reports its participation in the joint venture Americium Consortium LLC, Wilmington/Delaware/USA under participations measured at equity.

In addition, participations in the following associates are reported under participations measured at equity:

- ZAO NanoBrachyTech, Dubna/Russia
- Nuclear Control & Consulting GmbH, Leipzig
- ZAO Ritverc, St. Petersburg/Russia
- Myelo Therapeutics GmbH, Berlin
- Pentixapharm GmbH, Würzburg (fully consolidated since April 2021)
- BEBIG Medical GmbH, Berlin

The recognised carrying amount totalled € 15,086 thousand (previous year: € 6,895 thousand) and was allocated as follows:

€ thousand	2021	2020
Americium Consortium LLC	893	1,647
ZAO NanoBrachyTech	731	756
Nuclear Control & Consulting GmbH	287	284
ZAO Ritverc	1,074	750
Myelo Therapeutics GmbH	1,321	1,408
Pentixapharm GmbH	0	2,050
BEBIG Medical GmbH	10,780	0

In 2013 Eckert & Ziegler Isotope Products Inc. concluded an agreement with a U.S. partner to establish a joint venture, Americium Consortium LLC. Each of the partners holds 50% of the shares in the joint venture. Each of them may appoint one member of the joint venture's management, and key decisions must be made unanimously. The company has significant influence over the joint venture pursuant to IAS 28, for which reason the interests are recognised in these consolidated financial statements in accordance with the equity method. The shares have a historical cost of € 2,493 thousand. The Group's share of the profit generated by Americium Consortium LLC in the 2021 financial year amounted to € 0 thousand (previous year: € 0 thousand). The share measured at equity amounted to € 893 thousand as at 31 December 2021 (previous year: € 1,647 thousand). The non-current assets of € 1,781 thousand (2020: € 3,289 thousand) reported in the balance sheet of the joint venture related to advance payments for a project to ensure the long-term availability of a specific radioactive material. This project was halted in June 2019, and the project partner has committed to repay in full the advance payments already received from the joint venture. In 2021 the joint venture received repayments in the amount of USD 2,018 thousand (previous year: USD 2,018 thousand), and next year it will receive the final repayment of USD 2,018 thousand, plus interest. This money will then be distributed among the shareholders of the joint venture.

Since 2009, Eckert & Ziegler BEBIG GmbH has held 15% of the shares in Russia-based ZAO NanoBrachyTech (NBT), which in turn wholly owns OOO BEBIG, Moscow/Russia. OOO BEBIG is supplied by Eckert & Ziegler BEBIG GmbH (see also the remarks in Note 43), and it is a major customer for the Medical segment. Apart from the participation in OOO BEBIG, NBT is not engaged in any other significant business activities. Eckert & Ziegler BEBIG GmbH exercises significant influence over ZAO NanoBrachyTech both through its voting rights and through its supplying of OOO BEBIG, and it accounts for this participation as an associate. As at 31 December 2021, the pro rata share of equity amounted to € 731 thousand (previous year: € 756 thousand). Dividends received in the 2021 financial year totalling € 448 thousand were recognised through other comprehensive income.

Eckert & Ziegler BEBIG GmbH has for many years held 20% of the shares in ZAO Ritverc, St. Petersburg/Russia. In the previous year, following the first-time receipt of reliable financial information, the participation was measured for the first time at the pro rata share of equity in the amount of € 750 thousand. According to the financial statements of AO Ritverc as at 31 December 2021 that are in our possession, the company generated net profit in the 2021 financial year of € 1,687 thousand (previous year: € 1,538 thousand). The company's equity as at 31 December 2021 amounted to € 5,370 thousand (previous year: € 3,796 thousand). Therefore, in the consolidated financial statements of Eckert & Ziegler AG, the participation in ZAO Ritverc was measured as at 31 December 2021 at the pro rata share of equity in the amount of € 1,074 thousand. In addition, dividends received in the amount of € 53 thousand were recognised through other comprehensive income in the 2021 financial year.

In June 2020, Eckert Ziegler Isotope Products Holdings GmbH increased its holdings in Myelo Therapeutics GmbH, Berlin to approximately 15%. In addition, ELSA 2 Beteiligungen GmbH, a company affiliated with the Group (see Note 44), also holds a stake in the company of approximately 42%. Through these participations, Eckert Ziegler Isotope Products Holdings GmbH and ELSA 2 Beteiligungen GmbH are jointly in a position to exercise significant influence on the company. Myelo Therapeutics GmbH has its registered office in Berlin and is developing something called a "radiation protection pill". In connection with the participation in Myelo Therapeutics GmbH, pro rata losses in the amount of € 87 thousand were recognised in the 2021 financial year (previous year: € 80 thousand).

Since February 2020, Eckert Ziegler Radiopharma GmbH had maintained a holding of approximately 37% in Pentixapharm GmbH, Berlin. This had been an indirect participation based on an option and financing agreement between Eckert Ziegler Radiopharma GmbH and ELSA Eckert Life Science Accelerator GmbH. Eckert Ziegler Radiopharma GmbH had assumed the financing expenses of € 3,000 thousand in exchange for an option to acquire approximately 37% of the shares in Pentixapharm GmbH. In connection with the participation in Pentixapharm GmbH, pro rata losses in the amount of € 950 thousand were recognised in the 2020 financial year. In the 2021 financial year, further pro-rata losses in the amount of € 295 thousand were recognised up to 31 March. In April 2021, Eckert & Ziegler AG acquired 83.33% of the shares in Pentixapharm GmbH. Accordingly, the company has been fully consolidated in the consolidated financial statements of Eckert & Ziegler AG since April 2021. Following a capital increase in October 2021, Eckert & Ziegler AG holds 90.63% of the shares in Pentixapharm GmbH.

With effect on 31 March 2021, Eckert & Ziegler BEBIG GmbH disposed of its HDR business, which it had previously spun off to BEBIG Medical GmbH. In this connection, it sold 51% of the shares in BEBIG Medical GmbH to TCL Healthcare Equipment, Shanghai. The 49% stake in BEBIG Medical GmbH remaining in the Group has since been consolidated at equity in the Eckert & Ziegler Group.

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

a) Joint venture Americium Consortium LLC

€ thousand	Dec 31, 2021	Dec 31, 2020
Current assets	88	81
Non-current assets	1,781	3,289
Current liabilities	–83	–76
Non-current liabilities	0	0

The assets and liabilities listed above include the following amounts:

€ thousand	Dec 31, 2021	Dec 31, 2020
Cash and cash equivalents	88	81
Current financial liabilities (not including trade payables, other liabilities and provisions)	–83	–76
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	0	0

In the 2021 and 2020 financial years, the joint venture did not generate any appreciable income or expenses. In 2021 the result stood at €0 thousand (previous year: €0 thousand).

Reconciliation of the presented summarised financial information with the carrying amount of the participation in the joint venture Americium Consortium LLC in the consolidated financial statements:

€ thousand	2021	2020
Net assets of the joint venture	1,786	3,294
Group participation	50%	50%
Carrying amount of the Group participation in the joint venture	**893**	**1,647**

b) Associates (summarised)

€ thousand	Dec 31, 2021	Dec 31, 2020
Current assets	13,849	7,056
Non-current assets	11,045	6,352
Current liabilities	–6,025	–1,076
Non-current liabilities	–1,737	–24

The assets and liabilities listed above include the following amounts:

€ thousand	Dec 31, 2021	Dec 31, 2020
Cash and cash equivalents	4,962	3,964
Current financial liabilities (not including trade payables, other liabilities and provisions)	0	0
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	0	0

€ thousand	2021	2020
Revenue	18,075	6,279
Net profit for the year from continuing operations	1,075	3,379
After-tax income of discontinued operations	0	0
Net profit for the year	1,075	3,379
Other net income	0	0
Comprehensive income	**1,075**	**3,379**
Dividends received from associates	432	682

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

€ thousand	2021	2020
Scheduled depreciation/amortisation	–476	–136
Interest income	0	0
Interest expenses	–22	–12
Income tax expense or income	–431	–387

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

€ thousand	Dec 31, 2021	Dec 31, 2020
Net assets of the associates	17,132	12,308
Thereof attributable to Group participation	5,172	2,687
Measurement differences	8,866	2,570
Carrying amount of Group participation in associates	**14,038**	**5,257**

24 | CASH AND CASH EQUIVALENTS

Cash and cash equivalents of € 93,659 thousand (previous year: € 87,475 thousand) consisted of cheques, cash on hand and balances with financial institutions due – calculated from the date of acquisition – within not more than three months. Cash and cash equivalents shown in the consolidated statement of cash flows correspond to the balance sheet item cash and cash equivalents.

25 | TRADE RECEIVABLES

Current trade receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business, and they consisted of the following items as at 31 December 2021 and 2020, respectively:

€ thousand	2021	2020
Trade receivables	33,090	28,973
less impairment losses	–1,210	–774
As at 31 December	**31,880**	**28,199**

See also disclosures concerning financial instruments under Note 37.

26 | INVENTORIES

Inventories as at 31 December 2021 and 2020 consisted of the following:

€ thousand	2021	2020
Raw materials and consumables	19,692	19,760
Finished goods	7,839	9,419
Work in progress	10,365	5,615
	37,896	**34,794**
less impairment losses	–540	–1,220
As at 31 December	**37,356**	**33,574**

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

Impairment losses, which were recognised based on a comparison of the net disposal value with the carrying amount, decreased by € 680 thousand (previous year: € 44 thousand).

Work in progress included contract assets in the amount of € 8,165 (2020: € 5,520 thousand) that were accrued in accordance with the POC method as defined by IFRS 15.116 (see also Note 5).

27 | OTHER CURRENT ASSETS

Other current assets of € 6,348 thousand (previous year: € 5,452 thousand) as at 31 December 2021 relate to VAT receivables from tax authorities of € 1,268 thousand (previous year: € 1,282 thousand), current receivables from granted loans in the amount of € 2,005 thousand (previous year: € 0 thousand) and prepaid expenses, advance payments and other receivables in the amount of € 3,075 thousand (previous year: € 4,170 thousand).

28 | ASSETS HELD FOR SALE AND LIABILITIES

In September 2020, Eckert & Ziegler BEBIG GmbH signed a binding letter of intent with TCL Healthcare Equipment, Shanghai. It provided for the sale of the HDR afterloader business of the Medical segment in two stages. HDR afterloader systems, which are offered worldwide, are mainly used to irradiate cancerous tumours. The disposal group of assets and liabilities generated revenue of € 11 million in 2019.

In order to prepare for implementation of the letter of intent, Eckert & Ziegler BEBIG GmbH had spun off the assets and liabilities concerned to a new company, BEBIG Medical GmbH. These assets and liabilities primarily consisted of non-current assets and inventories, as well as provisions, advance payments received and other liabilities. In addition, Eckert & Ziegler BEBIG GmbH spun off its interests in Mick Radio-Nuclear Instruments, Inc. (USA) and TCL Eckert & Ziegler Healthcare (Wuxi) Co., Ltd. (China) to BEBIG Medical GmbH. Neither impairment losses nor reversals of impairment losses were recognised in connection with the planned disposal.

Then, in March 2021, 51% of the shares in BEBIG Medical GmbH were sold to TCL Healthcare Equipment, Shanghai, in accordance with the aforementioned agreement. In addition, put and call options were agreed upon for the remaining 49% of the shares. The options can be exercised over a period of five years. The assets and liabilities classified as held for sale in 2020 were accordingly derecognised as at 31 March 2021 in connection with the sale.

In December 2021, Eckert & Ziegler BEBIG GmbH signed a further binding letter of intent with TCL Healthcare Equipment, Shanghai. This provided that, in supplementation of the sale of 51% of the shares in BEBIG Medical GmbH that took place in March 2021, a further company in the Medical segment is to be sold to TCL HealthCare Equipment, Shanghai. The assets and liabilities primarily consist of non-current assets and inventories, as well as provisions, advance payments received and other liabilities that were in turn reclassified as at the reporting date to assets and liabilities held for sale. Impairment losses of € 350 thousand were recognised in this connection.

29 | EQUITY

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

In accordance with the resolution adopted by the Annual General Meeting held on 2 June 2021, the unappropriated surplus of Eckert & Ziegler AG as calculated in accordance with German commercial law rules, which amounted to € 17,446 thousand as at 31 December 2020, was used to pay a dividend of € 0.45 per share entitled to receive dividends (€ 9,323 thousand). The remaining amount was allocated to other retained earnings (€ 8,123 thousand).

Under the German Stock Corporation Act, any potential dividend to be distributed to shareholders must be based on the unappropriated surplus as shown in the financial statements of Eckert & Ziegler AG prepared in accordance with German commercial law rules. A proposal will be made to the Annual General Meeting to pay a dividend of € 10,378 thousand (€ 0.50 per share) to shareholders from the unappropriated surplus of Eckert & Ziegler AG of € 22,713 thousand as calculated in accordance with German commercial law rules for the 2021 financial year and to allocate € 12,335 thousand to retained earnings.

Authorised capital

On 30 May 2018, the Annual General Meeting adopted a resolution that authorised the Executive Board, subject to the approval of the Supervisory Board, to increase the company's share capital on one or more occasions on or before 29 May 2023 by up to € 264,649 by issuing new no-par-value bearer shares in exchange for cash contributions and/or contributions in kind (Authorised Capital).

As a rule, shareholders are to be given the right to subscribe to the new shares. The new shares may also be acquired by one or more financial institutions, which are then obliged to offer the shares to shareholders for subscription (indirect subscription right). With the consent of the Supervisory Board, the Executive Board can:

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

Notification of changes to the voting rights percentages

In 2021 the following circumstances were required to be disclosed in accordance with the German Securities Trading Act (WpHG):

Pursuant to Section 33 (1) WpHG, Lupus alpha Investment GmbH, Frankfurt, Germany notified us on 26 January 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 22 January 2021 and amounted to 2.99% on that day (this corresponds to 633,000 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 4 February 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 3 February 2021 and amounted to 3.04% on that day (this corresponds to 643,127 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 14 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 12 April 2021 and amounted to 4.69% on that day (this corresponds to 992,869 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 14 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 12 April 2021 and amounted to 4.69% on that day (this corresponds to 992,869 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 15 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 14 April 2021 and amounted to 4.96% on that day (this corresponds to 1,049,289 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 15 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 14 November 2021 and amounted to 4.96% on that day (this corresponds to 1,049,289 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 15 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 14 April 2021 and amounted to 4.96% on that day (this corresponds to 1,049,289 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 19 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 16 April 2021 and amounted to 5.29% on that day (this corresponds to 1,120,358 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 19 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 16 April 2021 and amounted to 5.29% on that day (this corresponds to 1,120,358 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 19 April 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 16 April 2021 and amounted to 5.29% on that day (this corresponds to 1,120,358 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 10 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 7 May 2021 and amounted to 4.99% on that day (this corresponds to 1,058,404 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 10 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 7 May 2021 and amounted to 4.99% on that day (this corresponds to 1,058,404 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 10 May 2021 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 7 May 2021 and amounted to 4.99% on that day (this corresponds to 1,058,404 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 11 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 10 May 2021 and amounted to 5.06% on that day (this corresponds to 1,071,604 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 11 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 10 May 2021 and amounted to 5.06% on that day (this corresponds to 1,071,604 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 11 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 10 May 2021 and amounted to 5.06% on that day (this corresponds to 1,071,604 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 19 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 18 May 2021 and amounted to 4.97% on that day (this corresponds to 1,052,623 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 19 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 18 May 2021 and amounted to 4.97% on that day (this corresponds to 1,052,623 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 19 May 2021 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 18 May 2021 and amounted to 4.97% on that day (this corresponds to 1,052,623 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 20 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 19 May 2021 and amounted to 5.18% on that day (this corresponds to 1,096,023 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 20 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 19 May 2021 and amounted to 5.18% on that day (this corresponds to 1,096,023 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 20 May 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 19 May 2021 and amounted to 5.18% on that day (this corresponds to 1,096,023 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 23 September 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 21 September 2021 and amounted to 4.49% on that day (this corresponds to 951,181 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 23 September 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 21 September 2021 and amounted to 4.49% on that day (this corresponds to 951,181 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 23 September 2021 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 21 September 2021 and amounted to 4.49% on that day (this corresponds to 951,181 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 24 September 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 23 September 2021 and amounted to 5.02% on that day (this corresponds to 1,063,678 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 24 September 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 23 September 2021 and amounted to 5.02% on that day (this corresponds to 1,063,678 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 24 September 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 23 September 2021 and amounted to 5.02% on that day (this corresponds to 1,063,678 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 24 December 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 23 December 2021 and amounted to 4.93% on that day (this corresponds to 1,042,796 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 24 December 2021 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 23 December 2021 and amounted to 4.93% on that day (this corresponds to 1,042,796 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 24 December 2021 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 23 September 2021 and amounted to 4.93% on that day (this corresponds to 1,042,796 voting rights).

In 2020 the following circumstances were required to be disclosed in accordance with the German Securities Trading Act (WpHG):

Pursuant to Section 33 (1) WpHG, JPMorgan Funds SICAV, Senningerberg, Luxembourg notified us on 5 March 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 2 March 2020 and amounted to 2.99% on that day (this corresponds to 158,594 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Asset Management (Europa) S.a.r.l., Senningerberg, Luxembourg notified us on 12 March 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 10 March 2020 and amounted to 2.99% on that day (this corresponds to 158,282 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 16 April 2020 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 15 November 2019 and amounted to 5.30% on that day (this corresponds to 280,519 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 16 April 2020 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 8 April 2020 and amounted to 4.60% on that day (this corresponds to 243,624 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 16 April 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 15 November 2020 and amounted to 5.30% on that day (this corresponds to 280,519 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 16 April 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 8 April 2020 and amounted to 4.60% on that day (this corresponds to 243,624 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 16 April 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 5% of voting rights on 8 April 2020 and amounted to 4.60% on that day (this corresponds to 243,624 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 29 April 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 28 April 2020 and amounted to 2.95% on that day (this corresponds to 155,998 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Investment Management Inc., Wilmington, Delaware, USA notified us on 29 April 2020 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 28 April 2020 and amounted to 2.95% on that day (this corresponds to 155,998 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Chase Bank National Association, Columbus, Ohio, USA notified us on 29 April 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 28 April 2020 and amounted to 2.95% on that day (this corresponds to 155,998 voting rights).

Pursuant to Section 33 (1) WpHG, Ameriprise Financial Inc., Wilmington, Delaware, USA notified us on 30 June 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 24 June 2020 and amounted to 3.03% on that day (this corresponds to 160,188 voting rights).

Pursuant to Section 33 (1) WpHG, Ameriprise Financial Inc., Wilmington, Delaware, USA notified us on 25 August 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 19 August 2020 and amounted to 2.90% on that day (this corresponds to 614,944 voting rights).

Pursuant to Section 33 (1) WpHG, Ameriprise Financial Inc., Wilmington, Delaware, USA notified us on 16 October 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 12 October 2020 and amounted to 3.03% on that day (this corresponds to 640,707 voting rights).

Pursuant to Section 33 (1) WpHG, Ameriprise Financial Inc., Wilmington, Delaware, USA notified us on 22 October 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had fallen below the threshold of 3% of voting rights on 19 October 2020 and amounted to 2.94% on that day (this corresponds to 622,289 voting rights).

Pursuant to Section 33 (1) WpHG, Invesco Ltd., Hamilton, Bermuda notified us on 4 November 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 29 October 2020 and amounted to 3.19% on that day (this corresponds to 674,381 voting rights).

Pursuant to Section 33 (1) WpHG, Invesco Ltd., Hamilton, Bermuda notified us on 19 November 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 5% of voting rights on 16 November 2020 and amounted to 5.07% on that day (this corresponds to 1,073,517 voting rights).

Pursuant to Section 33 (1) WpHG, Lupus alpha Investment GmbH, Frankfurt, Germany notified us on 4 December 2020 that its percentage of voting rights in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany had exceeded the threshold of 3% of voting rights on 2 December 2020 and amounted to 3.03% on that day (this corresponds to 641,947 voting rights).

Reserves

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

Also presented in capital reserves are the amounts recognised in connection with share-based remuneration payments (IFRS 2). In the year under review, € 3,927 thousand (previous year: € 425 thousand) was recognised as expenses in capital reserves in connection with share-based remuneration payments. For details, see Note 45.

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

Other reserves included exchange rate differences in the amount of € 987 thousand (previous year: € –1,223 thousand) resulting from the translation of financial statements of foreign subsidiaries. The movements in 2021 and 2020 mainly related to the US and Brazilian subsidiaries. In addition, other reserves included the unrealised actuarial gains/losses (after taxes) from defined benefit pension commitments in the amount of € –3,597 thousand (previous year: € –4,536 thousand), which are to be recognised in other comprehensive income, as well as equity instruments designated at fair value through other comprehensive income in the amount of € 387 thousand (previous year: € 162 thousand).

Treasury shares

By resolution of the Annual General Meeting held on 30 May 2018, the company is authorised to acquire treasury shares on or before 29 May 2023 up to a total of 10% of the share capital existing at the time the resolution is adopted or – should this be lower – upon exercise of the authorisation. The acquired shares, together with other treasury shares held by the company or attributable to it pursuant to Sections 71d and 71e AktG, may not at any time account for more than 10% of the respective share capital. The authorisation may be exercised in whole or in part, on one or more occasions, in pursuit of one or more purposes by the company or the Group companies, or by third parties on their behalf. The shares may be acquired, at the discretion of the Executive Board, on the stock exchange or by means of a public acquisition offer or a public request to make such an offer.

- If the shares are acquired on the stock exchange, the purchase price per share paid by the company (not including ancillary acquisition costs) may not exceed by more than 10% or fall below by more than 25% the average closing price of the company's stock in the electronic trading system Exchange Electronic Trading (Xetra) (or corresponding successor system) on the Frankfurt Stock Exchange on the last five trading days preceding the acquisition.

- If the shares are acquired on the basis of a public acquisition offer or a public request to make such an offer, the purchase price offered and paid for a share (not including ancillary acquisition costs) may be up to 20% higher or 20% lower than the highest closing price of the company's stock in the electronic trading system Exchange Electronic Trading (Xetra) (or corresponding successor system) on the Frankfurt Stock Exchange on the third trading day prior to publication of the purchase offer. The acquisition offer or the public request to make such an offer may provide for other conditions. The acquisition offer may be modified if the trading price diverges significantly from the offered acquisition price or from the boundary values of any offered price range following publication of the acquisition offer or the public request to make such an offer. In such case, the cut-off date is the day on which the decision by the Executive Board to adjust the offer or the request to make such an offer is published. In the case of a public acquisition offer, the company will make an offer to all shareholders in accordance with their shareholding ratio.

The volume of the public acquisition offer may be limited. If the total subscription to the offer exceeds this volume, or in the case of a request to make such an offer, multiple offers are not all accepted, the acquisition takes place – under partial exclusion of any right to tender – in proportion to the tendered shares (tender ratios) instead of in proportion to the holding of the tendering shareholders (shareholding ratio). Similarly, in order to avoid fractional amounts, provision may be made for commercial rounding and preferred consideration of small quantities of up to 100 shares for the purpose of acquiring tendered shares of the company per shareholder, under partial exclusion of any right of the shareholders to tender.

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

- The shares may be redeemed without the redemption or its implementation requiring another resolution of the Annual General Meeting. They may also be redeemed in a simplified procedure without a capital reduction by adjusting the proportionate arithmetical amount of the remaining no-par-value shares in the company's share capital. The cancellation may be limited to part of the acquired shares. The authorisation to redeem shares may be exercised multiple times. If the redemption is carried out using the simplified procedure, the Executive Board is authorised to amend the number of no-par-value shares in the articles of association.

- The shares may also be sold in other ways than through the stock exchange or by an offer to all shareholders if the shares are sold for cash at a price that is not significantly below the arithmetic mean of the Xetra closing prices of the company's shares on the Frankfurt Stock Exchange on the last five trading days preceding the sale. In this case, the number of shares to be sold issued in accordance with Section 186 (3) sentence 4 AktG (excluding subscription rights in exchange for cash contributions close to the market price) may not exceed 10% of the share capital, either at the time the resolution is passed or at the time the authorisation is exercised. Shares issued or sold in direct or analogous application of Section 186 (3) sentence 4 AktG during the period of this authorisation up to this point in time are to be counted towards this limit. This also covers shares issued from authorised capital during the period of this authorisation under exclusion of subscription rights in accordance with Section186 (3) sentence 4 AktG.

- The shares may be issued against contributions in kind, in particular also in connection with the acquisition of companies, parts of companies or company participations and mergers of companies as well as the acquisition of other assets for the purpose of expanding business activities.

- The shares may be issued to employees of the company and affiliated undertakings as well as to members of the management of affiliated undertaking and used to service rights or obligations to acquire shares in the company granted to employees of the company and affiliated undertakings as well as members of the management of affiliated undertakings. The shares may also be granted to members of the Supervisory Board as part of the remuneration to the extent legally permissible in individual cases.

- Treasury shares may be used to fulfil obligations of the company arising from conversion rights or conversion obligations arising from convertible bonds issued by the company.

In the 2021 financial year, Eckert & Ziegler AG used 128,000 treasury shares as a portion of the purchase price for the acquisition of the shares in Pentixapharm GmbH, Würzburg. A further 38,300 treasury shares were used for share-based remuneration payments to employees. No transactions involving treasury shares were conducted in the previous year.

As at 31 December 2021, the company held 415,656 treasury shares (previous year 518,956 shares). The number of treasury shares as at 31 December 2021 represented 2.0% (previous year: 2.7%) of the company's share capital. The average number of shares outstanding in the 2021 financial year was 20,695,932 (previous year: 20,589,976).

30 | LOAN LIABILITIES

Loan liabilities for the financial years ended 31 December 2021 and 2020 consisted of the following:

€ thousand	2021	2020
Loan liabilities as at 31 December, total	**7,074**	**6**
– thereof current	7,074	4
– thereof non-current	0	2

Overall, the Group had credit line commitments at its disposal amounting to € 44,276 thousand. Of these commitments, € 20,430 thousand had been drawn down for sureties and guarantees as at 31 December 2021, as well as € 7,074 thousand in the form of a cash loan.

As at 31 December 2021 and 2020, the contractually agreed residual maturities of loan liabilities were as follows:

€ thousand	2021	2020
Residual maturity of up to 1 year	7,074	4
Residual maturity of more than 1 year and less than 5 years	0	2
Residual maturity of more than 5 years	0	0
Loan liabilities as at 31 December, total	**7,074**	**6**

31 | DEFERRED INCOME FROM GRANTS AND OTHER DEFERRED INCOME

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

€ thousand	2021	2020
Deferred grants and other current deferred income	38	38
Deferred non-current grants	2,452	1,727
As at 31 December	**2,490**	**1,765**

32 | PROVISIONS FOR PENSIONS

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

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

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

In 2021 and 2020, there were no material changes to these defined benefit plans.

In accordance with IAS 19 (revised), pension obligations were calculated using the projected unit credit (PUC) method and recognised at the present value of the pension entitlements earned on the measurement date including expected future pension and salary increases. The actuarial measurement of the plan assets and the present value of the defined benefit obligation was performed as at 31 December 2021 by Longial AG and Allianz Lebensversicherung AG, respectively (as in the previous year).

The most important assumptions underlying the actuarial measurement were:

%	Dec 31, 2021	Dec 31, 2020
Discount rate(s)	0.90 to 1.15	0.35 to 0.65
Expected return on plan assets	1.00	1.00
Expected percentage salary increases	0.00 to 2.50	0.00 to 2.50
Expected percentage pension increases	0.00 to 1.50	0.00 to 1.50
Fluctuation rate	0.00 to 2.00	0.00 to 2.00

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

€ thousand	2021	2020
Present value of defined benefit pension obligations	13,204	14,609
Plan assets measured at fair value	–160	–166
Pension provisions as at 31 December	**13,044**	**14,443**

The amount recognised for pension provisions changed as follows:

€ thousand	2021	2020
Pension provisions as at 1 January	14,443	13,487
Expenses for pension obligations	315	365
Actuarial gains (–)/losses (+)	–1,368	888
Disbursements from plan assets	4	4
Income from plan assets	–1	–2
Pension payments	–349	–299
Pension provisions as at 31 December	**13,044**	**14,443**

** before deferred taxes*

Of the actuarial gains (–)/losses (+), € –1,152 thousand (previous year: € 988 thousand) resulted from changes in financial assumptions and € –216 thousand (previous year: € –100 thousand) from adjustments based on experience. As the demographic assumptions remained unchanged, they did not give rise to actuarial gains or losses.

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

€ thousand	2021	2020
Service cost	230	230
Interest expense	85	135
Expected income from plan assets	–1	–2
Total recognised amounts	**314**	**363**

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

€ thousand	2021	2020
Cumulative actuarial gains (–)/losses (+) on 1 January *	4,536	3,930
Addition/disposal *	–939	606
Cumulative actuarial gains (–)/losses (+) on 31 December *	**3,597**	**4,536**

** after deferred taxes*

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

€ thousand	2021	2020
Opening balance of plan assets measured at fair value	166	171
Expected income from plan assets	1	2
Actuarial loss	–3	–3
Disbursements from plan assets	–4	–4
Closing balance of plan assets measured at fair value	**160**	**166**

Pension payments of € 367 thousand are expected for the 2022 financial year. The weighted average duration of the pension obligations across individual pension plans was between 12 and 21 years.

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

€ thousand	2021	2020	2019	2018	2017
Defined benefit obligation	–13,204	–14,609	–13,658	–11,538	–11,843
Plan assets	160	166	171	170	168
Net obligation	**–13,044**	**–14,443**	**–13,487**	**–11,368**	**–11,675**

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

	Defined benefit obligation	
	€ thousand	%
Current assumption	13,044	
Discount rate –0.25%	13,771	6
Discount rate +0.25%	12,672	–3

33 | OTHER PROVISIONS

The following table provides an overview of the changes in other provisions during the 2021 and 2020 financial years.

€ thousand	2021	2020
Provisions for restoration obligations (non-current)	30,949	29,178
Other provisions (non-current)	28,887	26,565
Other non-current provisions as at 31 December	**59,836**	**55,743**
Other provisions (current)	3,590	4,062
Other current provisions as at 31 December	**3,590**	**4,062**

Provisions for restoration obligations included expected expenses for the restoration and disposal of production facilities and reversing leasehold improvements. They changed as follows in the 2021 and 2020 financial years:

€ thousand	2021	2020
Provisions as at 1 January	29,178	24,704
Additions	2,608	9,097
Disposals	–1,035	–4,253
Utilisation	0	–114
Compounding	164	87
Currency translation	34	–343
Provisions as at 31 December	**30,949**	**29,178**

In accordance with IFRIC 1, the discount rates appropriate to the maturities of the provisions for restoration obligations were adjusted in line with developments on the capital markets in the 2021 financial year. The adjusted interest rates range from 0.0% to 0.5%. If the previous year's interest rates of 0.0% to 1.5% had been maintained, this would have increased the provision by € 368 thousand (previous year: decrease of € 466 thousand). The Group expects to make restoration payments in the 2022 to 2040 financial years.

Other non-current provisions as at 31 December 2021 mainly consisted of provisions for the obligation to process own radioactive residues and those collected by third parties and take-back obligations for sold radiation sources of € 26,553 thousand (previous year: € 23,870 thousand). These provisions are created based on the anticipated internal and external costs of processing, which are regularly reviewed and updated. Cost calculation is based on empirical values and past costs for disposal. The extrapolation of historic costs in the future involves the following estimation uncertainties:

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

Other non-current provisions also included € 1,718 thousand (previous year: € 1,749 thousand) for long-term services still to be provided to fulfil a contract, personnel-related provisions (for length-of-service bonuses) in the amount of € 171 thousand (previous year: € 405 thousand), provisions for clearance and restoration in the amount of € 230 thousand (previous year: € 301 thousand) and archiving provisions in the amount of € 235 thousand (previous year: € 240 thousand).

Other non-current provisions changed as follows in the 2021 and 2020 financial years:

€ thousand	2021	2020
Provisions as at 1 January	26,565	26,736
Additions	4,858	4,987
Disposals	–332	–1,012
Compounding	1	14
Utilisation	–2,227	–4,123
Currency translation	22	–37
Provisions as at 31 December	**28,887**	**26,565**

Other current provisions in the amount of € 3,590 thousand (previous year: € 4,062 thousand) related to the current portion of the disposal of radioactive residual materials.

34 | OTHER NON-CURRENT LIABILITIES

Other non-current liabilities fell year-on-year from € 1,983 thousand to € 358 thousand. The liabilities still remaining as at 31 December 2021 related almost exclusively to non-current liabilities owed to former interest holders from the acquisition of shares in consolidated companies.

35 | ADVANCE PAYMENTS RECEIVED

In connection with contracts with customers, Group companies receive advance payments that are recognised as current liabilities. Most of these are contractual liabilities within the meaning of IFRS 15.116 that will be recognised as revenue in the following year. Most of the advance payments of € 8,620 thousand (previous year: € 11,952 thousand) that were received as at 31 December 2020 were recognised as revenue in the 2021 financial year.

36 | OTHER CURRENT LIABILITIES

Other current liabilities as at 31 December consisted of the following:

€ thousand	2021	2020
Liabilities from wages and salaries as well as other personnel-related liabilities	10,848	7,335
Liabilities related to social security	626	268
Liabilities to tax authorities	1,429	571
Liabilities under open invoices and other deferred expenses	5,998	5,215
Liabilities under received security deposits	0	4,400
Other liabilities	3,672	883
As at 31 December	**22,573**	**18,672**

37 | ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

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

Overview of financial assets and liabilities

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

€ thousand Balance sheet item	Measurement category under IFRS 9*	Dec 31, 2021 Carrying amount	Dec 31, 2021 Fair value	Dec 31, 2020 Carrying amount	Dec 31, 2020 Fair value
ASSETS					
Other non-current assets	AC	363	363	362	362
Other non-current assets	FVTPL	0	0	0	0
Cash and cash equivalents	AC	93,659	93,659	87,475	87,475
Securities	FVTOCI	1,358	1,358	1,135	1,135
Trade receivables	AC	31,880	31,880	26,464	26,464
Other current assets	AC	2,005	2,005	907	907
		129,265	**129,265**	**116,343**	**116,343**
Thereof total by measurement category	AC	127,907	127,907	115,208	115,208
	FVTPL	0	0	0	0
	FVTOCI	1,358	1,358	1,135	1,135
LIABILITIES					
Non-current loan liabilities	AC	0	0	2	2
Other non-current liabilities	AC	358	358	1,983	1,976
Other non-current liabilities	FVTPL	0	0	0	0
Current loan liabilities	AC	7,074	7,074	4	4
Trade payables	AC	5,578	5,578	3,285	3,285
Other current liabilities	AC	11,030	11,030	9,759	9,759
Other current liabilities	FVTPL	0	0	14	14
		24,040	**24,040**	**15,047**	**15,040**
Thereof total by measurement category	AC	24,040	24,040	15,033	15,026
	FVTPL	0	0	14	14

* *Abbreviations:*
AC: At amortised cost
FVTPL: At fair value through profit or loss
FVTOCI: At fair value through other comprehensive income)

The interest rate swap recognised at fair value through profit or loss was reported under current liabilities as at 31 December 2020. The interest rate swap agreement expired in 2021.

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

The Group calculates the fair value of liabilities to financial institutions and other financial liabilities with a fixed interest rate (which deviates from the market interest rate) by discounting the expected future cash flows using the interest rate applicable to similar financial liabilities with similar residual maturities.

As loan liabilities are predominantly short term, discounting has only a marginal effect.

Non-current receivables and liabilities that are not interest-bearing are recognised at their discounted value.

Financial assets and liabilities measured at fair value are categorised into the following levels of the fair value hierarchy:

Level 1: The market values for these assets and liabilities are determined based on quoted, unadjusted prices on active markets.

Level 2: The market values for these assets and liabilities are determined based on parameters for which quoted prices, derived either directly or indirectly, are available on an active market.

Level 3: The market values for these assets and liabilities are determined based on parameters for which no observable market data is available.

With the exception of securities, all financial assets and financial liabilities recognised as at 31 December 2021 and 31 December 2020 fall under Level 3 of the above measurement categories. Securities (equity instruments of listed companies) belong to Level 1 of the measurement hierarchy.

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

- As at 31 December 2021 and 31 December 2020, contingent receivables from the sale of shares in OctreoPharm Sciences GmbH of € 240 thousand. The fair value of these receivables is determined based on estimated probabilities of occurrence of individual milestones in the development project of OctreoPharm Sciences GmbH.

Financial liabilities measured at fair value included the following items:

- Derivative financial liabilities arising from an interest rate swap in the amount of € 14 thousand, which were recognised as at 31 December 2020. The swap agreement expired in the 2021 financial year.
- Liabilities from contingent consideration arising from business combinations within the meaning of IFRS 3 in the amount of € 31 thousand as at 31 December 2021 and € 25 thousand as at 31 December 2020, of which € 31 thousand was recognised as current as at 31 December 2021. The fair value of these liabilities was measured based on the agreed conditions for variable consideration and taking into account the estimated probabilities of these conditions occurring.

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

Measurement category under IFRS 9 € thousand	**2021**	2020
Financial assets measured at amortised cost		
Interest income	118	211
Impairment losses (–)/reversals of impairment losses (+)	–436	–502
Currency gains (+)/currency losses (–)	1,627	1,934
	1,643	465
Financial assets measured at fair value through profit or loss		
Impairment losses (–)/reversals of impairment losses (+)	0	0
	0	**0**
Financial assets measured at fair value through other comprehensive income		
Impairment losses (–)/reversals of impairment losses (+)	322	232
Dividends received	9	8
	331	**240**
Financial liabilities measured at amortised cost		
Interest expenses	–288	–147
Currency gains (+)/currency losses (–)	–560	–3,954
	–848	**–4,101**
Financial liabilities measured at fair value through profit or loss		
Interest expenses	–7	–41
Impairment losses (+)/reversals of impairment losses (–)	14	33
	7	–8

Risk analysis

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

Credit risk

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

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

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

Risk exposure

The maximum default risk corresponded to the carrying amount of the trade receivables as at the balance sheet date in the amount of € 31,880 thousand (previous year: € 28,199 thousand).

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

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

€ thousand	2021	2020
Europe	14,676	14,249
North America	9,680	7,267
Other	7,524	6,683
As at 31 December	**31,880**	**28,199**

The Group uses the simplified approach set out in IFRS 9 to measure expected credit losses. Accordingly, all other financial assets measured at amortised cost are measured using the expected credit losses over the term. The expected loss rates for trade receivables are based on the payment profiles of customers and the relevant historical defaults. The historical loss rates are adjusted to reflect current and forward-looking information about external market parameters, internal factors, and specific information that affects the ability of customers to repay their debts.

Outstanding trade receivables are divided into three categories depending on their maturity. Based on the category, the probabilities of default are set at 0.1%, 0.2% and 0.4%. The amount is then multiplied by the loss given default (LGD) to obtain the expected credit loss (ECL). The model used by the Eckert Ziegler Group assumes a LGD of 90% and a recovery rate of 10%.

On this basis, the impairment losses for trade receivables as at 31 December 2021 and 31 December 2020 were determined as follows:

Balance as at 31 December 2021	Expected LGD (portfolio)	**Gross trade receivables, in € thousand**	Portfolio impairment losses, in € thousand	Individual impairment losses, in € thousand
Receivables not yet due	0.09%	15,295	–14	0
Past due by 1 to 90 days	0.18%	10,613	–19	0
Past due by more than 90 days	0.36%	7,182	–26	–1,151
		33,090	–59	–1,151
Net trade receivables		**31,880**		

Balance as at 31 December 2020	Expected LGD (portfolio)	**Gross trade receivables, in € thousand**	Portfolio impairment losses, in € thousand	Individual impairment losses, in € thousand
Receivables not yet due	0.09%	14,755	–13	0
Past due by 1 to 90 days	0.18%	9,198	–17	0
Past due by more than 90 days	0.36%	5,020	–18	–726
		28,973	–48	–726
Net trade receivables		**28,199**		

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

€ thousand	2021	2020
As at 1 January	774	1,404
Net additions	436	–630
As at 31 December	**1,210**	**774**

Liquidity risk

Liquidity risk means the risk that the Group will not be able to meet its financial obligations on time. The purpose of liquidity management is to ensure that adequate amounts of borrowed and own funds are available at all times. As part of the Group's financial planning, a liquidity forecast is prepared, which can be used, among other things, to identify additional debt financing needs in advance. The Group generates its financial resources predominantly through its operating activities. As at 31 December 2021, Eckert & Ziegler AG and its subsidiaries also had access to credit lines amounting to € 44,276 thousand (previous year: € 20,705 thousand). Of this amount, €16,783 thousand (previous year: € 10,322 thousand) was freely available as at 31 December 2021, and € 20,430 thousand (previous year: € 10,494 thousand) had been utilised for sureties and guarantees.

As at the balance sheet date, the consolidated balance sheet showed only insignificant liabilities to financial institutions totalling € 7,074 thousand (previous year: € 6 thousand). In 2021 and 2020, debt financing was requested from financial institutions for various projects or offered independently by banks. The various loan offers contained favourable terms and conditions, which leads to the conclusion that the Group has a good credit rating. The Executive Board believes this is because of the Group%s solid financing with a high equity ratio and the favourable prospects of the operating units. In addition to the high equity ratio, solid balance sheet ratios further underpin the Group's creditworthiness, as non-current assets are more than covered by equity and non-current liabilities.

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

Risk exposure

The contractually agreed due dates for financial liabilities, including interest payments, are shown below:

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES — **Dec 31, 2021**

€ thousand		Carrying amount	Fair value Total	Cash outflow up to 1 year	Cash outflow 2 to 5 years	Cash outflow over 5 years
Loan liabilities	fixed interest rate	7,074	7,074	7,074	0	0
Loan liabilities	variable interest rate	0	0	0	0	0
Trade payables	non-interest bearing	5,578	5,578	5,578	0	0
Other liabilities	non-interest bearing	11,030	11,030	11,030	0	0
Derivative financial liabilities	variable interest rate	0	0	0	0	0
As at 31 December		**23,682**	**23,682**	**23,682**	**0**	**0**

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES — Dec 31, 2020

€ thousand		Carrying amount	Fair value Total	Cash outflow up to 1 year	Cash outflow 2 to 5 years	Cash outflow over 5 years
Loan liabilities	fixed interest	6	6	4	2	0
Loan liabilities	variable interest	0	0	0	0	0
Trade payables	non-interest bearing	3,285	3,285	3,285	0	0
Other liabilities	non-interest bearing	11,742	11,735	9,759	1,983	0
Derivative financial liabilities	variable interest	14	14	14	0	0
As at 31 December		**15,047**	**15,040**	**13,062**	**1,985**	**0**

Cash outflows for liabilities with a variable interest rate were based on an interest rate of 3.75% in 2021 (previous year: 3.6%).

Currency risks

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

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

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

Risk exposure

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

Foreign currency exposure expressed in € thousand	Dec 31, 2021				Dec 31, 2020			
	USD	GBP	CZK	BRL	USD	GBP	CZK	BRL
Cash and cash equivalents	32,425	1,277	476	1,246	29,196	404	685	252
Trade receivables	10,955	595	75	1,211	8,080	461	92	869
Trade payables	–1,572	–14	–29	–115	–1,928	–12	–49	–169
Balance sheet exposure	**41,808**	**1,858**	**522**	**2,342**	**35,348**	**853**	**728**	952

Balance sheet exposure corresponds to net exposure, as no currency swaps existed at the respective reporting dates.

Sensitivity analysis

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

	Dec 31, 2021				Dec 31, 2020			
Effect expressed in € thousand	USD	GBP	CZK	BRL	USD	GBP	CZK	BRL
Comprehensive income	–3,801	–169	–47	–213	–547	–3	341	86

A 10% depreciation of the euro against the currencies listed above would have had the opposite effect on the currencies as at the balance sheet date.

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

Interest rate risk

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

No hedging is undertaken if a change in interest rates does not result in a cash flow impact for an item.

In February 2011, an interest rate swap was concluded to limit the interest rate risk on variable-rate financing loans. This swap had a maturity of 10 years; a reference amount of € 8,000 thousand was hedged, which had been reduced at the end of each quarter by € 250 thousand. The Group paid fixed interest of 3.21% on a quarterly basis on the respective reference amount and received in return variable amounts equivalent to the three-month EURIBOR interest rate on the respective reference amount. The swap agreement expired in the 2021 financial year. The fair value of the swap transaction amounted to € –14 thousand as at 31 December 2020 and was recognised in the balance sheet under other non-current liabilities. The fair value was communicated to the Group by the bank with which the swap transaction was concluded. Accordingly, to determine the actual cash value of the interest rate swaps, all payments that were to be made by the customer or by the bank were calculated from the measurement day until the end of the contract; then they were discounted based on the current yield curve, added together and then netted. The discounting of the variable interest payments (EURIBOR) was carried out based on the forward interest rates for the current yield curve with the corresponding maturity. The ensuing balances then represent a positive and a negative present value for the counterparties from the existing contractual relationship.

Risk exposure

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

€ thousand	2021	2020
Interest-bearing financial assets	2,005	635
– thereof variable interest rate	0	0
– thereof fixed interest rate	2,005	635
Interest-bearing financial liabilities	7,074	20
– thereof variable interest rate	0	14
– thereof fixed interest rate	7,074	6

Sensitivity of the cash flows for variable-interest financial instruments

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

	2021		2020	
Effect expressed in € thousand	+ 100 basis points	–100 basis points	+ 100 basis points	–100 basis points
Result from variable-interest financial instruments	0	0	11	–11

Capital management

Pursuant to Section 92 of the German Stock Corporation Act (AktG), Eckert & Ziegler AG (parent company) is subject to minimum capitalisation in accordance with German stock corporation and commercial law rules. Accordingly, an Extraordinary General Meeting must be called if the sum of the parent company's equity as calculated in accordance with German commercial law rules falls below 50% of the share capital. This did not occur in the 2021 or 2020 financial years.

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

Measures to achieve these goals include capital structure optimisation, the dividend policy, acquisitions and, if necessary, equity measures. Capital requirements and capital procurement should be coordinated in a manner that takes requirements in terms of earnings, liquidity, security and autonomy into appropriate consideration. The Group's overall strategy remains unchanged from 2020.

NOTES CONCERNING THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

38 | OPERATING ACTIVITIES

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

39 | INVESTING ACTIVITIES

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

40 | FINANCING ACTIVITIES

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

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

OTHER DISCLOSURES

41 | COMPANY ACQUISITIONS AND DISPOSALS

2021 financial year

Company disposals

With effect on 1 January 2021, the Eckert & Ziegler Group sold all shares in GSG International GmbH, Freienbach, Switzerland, and IPS International Processing Services, Halsbrücke. The two companies jointly handled an order from Switzerland for the processing of components for the purpose of volume-reducing disposal of waste with natural radionuclides. In the previous year, neither company had any material share of consolidated revenue or consolidated net income.

On 24 March 2021, Eckert & Ziegler BEBIG GmbH sold its business with tumour irradiation equipment (HDR: high-dose rate) to the Chinese company TCL Healthcare Equipment (Shanghai) Co., Ltd. (TCL). As a first step, it sold TCL 51% of the shares in BEBIG Medical GmbH, to which it had previously spun off the HDR business. As for the remaining 49% of the shares in BEBIG Medical GmbH, TCL was granted a purchase option until the start of 2024 and Eckert & Ziegler thereafter an option to sell to TCL. In the event that the purchase option is exercised, the purchase price is fixed in accordance with the purchase price arrangement in the contract; in the event that the option to sell is exercised, the purchase price may be higher, depending on the development of the EBITDA of BEBIG Medical GmbH. BEBIG Medical GmbH has been consolidated at equity with 49% since April 2021.

In the previous year, the spun-off HDR business generated revenue of about € 11 million.

The sale of 51% of the HDR business generated a profit of € 9.9 million in 2021.

Company acquisitions

Pentixapharm GmbH, Würzburg

On 16 April 2021, Eckert & Ziegler Strahlen- und Medizintechnik AG acquired a majority participation in the Würzburg-based medication developer Pentixapharm GmbH. As part of this transaction, Eckert & Ziegler AG acquired various share packages from the founders of Pentixapharm GmbH in exchange for a combination of cash and transfer of shares in Eckert & Ziegler AG. After conclusion of the transaction, Eckert Ziegler AG held approximately 90.63% of the shares in Pentixapharm GmbH as at 31 December 2021. As part of the purchase of shares, the management of Pentixapharm GmbH, which holds the remaining 9.37% of the shares, was in addition granted options to sell their shares.

The sole product of Pentixapharm GmbH, which is still in the developmental phase, is PentixaFor (and its supplemental therapeutic agent PentixaTher), an innovating imaging agent that targets chemokine receptor 4 (CXCR4) and is used for the diagnosis of cancer patients with various hemato-oncologic and solid tumour diseases. The Ga-68-based PET radiodiagnostic should have the potential to considerably improve the treatment of patients with these diseases. Since nearly all of the fair value of Pentixapharm GmbH is attributable to this development project, the acquisition was not recognised as a business combination within the meaning of IFRS 3 but instead as the acquisition of the development project and the other assets of Pentixapharm.

€ thousand	Carrying amount as at the acquisition date	Remeasurement	Fair value as at the acquisition date
Intangible assets	929	21588	22517
Property, plant and equipment	136	0	136
Inventories	0	0	0
Receivables	12	0	12
Other assets	71	0	71
Bank balances on cash on hand	437	0	437
Liabilities	–23	0	–23
Deferred taxes	0	0	0
Net assets	**1,562**	**21,588**	**23,150**
thereof 83.33%	0	0	19,291
Purchase price	–17,536	0	–17,536
Shares previous accounted for at equity	–1,755	0	–1,755

The shares in Pentixapharm GmbH were acquired in exchange for 128,000 treasury shares worth €9,261 thousand and a cash payment of €8,275 thousand. With the acquisition of Pentixapharm GmbH, cash and cash equivalents amounting to €437 thousand were taken over, meaning that the net cash flow from the acquisition amounted to €–7,838 thousand. In the 2021 financial year, Pentixapharm GmbH generated revenue of €39 thousand and had net income of €–1,817 thousand.

Ambientis Radioproteção, São Paulo, Brazil

Effective 31 July 2021, Eckert & Ziegler acquired Ambientis Radioproteção, with its registered office in São Paulo, Brazil, through its Brazilian subsidiary Eckert & Ziegler Brasil Isotope Solutions Ltda for the price of €0.5 million. The company, which has annual revenue in the low seven figures and 24 employees, possesses extensive experience and approvals in the area of metrology and logistics for radioactive substances. Ambientis is the only ISO 17025-certified measurement laboratory in Brazil and South America. The acquisition is a further component of the growth strategy for South America, one of the most dynamic health markets in the world. The created synergies will help to increase market opportunities not only for the industrial segment but also for the region's Radiopharma and Nuclear Medicine areas. The acquisition was included in the consolidated financial statements in accordance with the acquisition method. The purchase price was distributed across the acquired assets and assumed liabilities on the basis of the estimated fair value of the acquisition. The distribution of the purchase price on the basis of estimated fair values of assets and liabilities was carried out as follows:

€ thousand	Carrying amount as at the acquisition date	Remeasurement	Fair value as at the acquisition date
Intangible assets	0	404	404
Property, plant and equipment	256	0	256
Inventories	13	0	13
Receivables	80	0	80
Other assets	10	0	10
Bank balances on cash on hand	14	0	14
Liabilities	–277	0	–277
Deferred taxes	0	0	0
Net assets	**96**	**404**	**500**
Purchase price	–464	0	–464
Negative goodwill			**–36**

With the acquisition of Ambientis Radioproteçao, cash and cash equivalents amounting to € 14 thousand were taken over, meaning that the net cash flow from the acquisition amounted to € –450 thousand. In the 2021 financial year, Ambientis Radioproteçao generated revenue of € 828 thousand and had net income of € –101 thousand. Badwill in the amount of € 36 thousand was recognised in the result for 2021.

42 | OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES AND RECEIVABLES

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

The following events are of importance:

When the German Radiation Protection Act (StrlSchG) entered into force on 1 January 2019, the supervisory authority was given the ability to require the posting of security also for legacy facilities. This security also relates to radioactive materials that originate from handling. In December 2020, Eckert & Ziegler Nuclitec GmbH, as licence holder for the Braunschweig location, was ordered to post security of € 8.0 million by 30 June 2021. The amount of the security is thus substantially less than the expected future disposal costs and is appropriate in the view of the company. In order to avoid tying up liquidity at the overall Group level of Eckert & Ziegler, this security was posted in the form of a letter of comfort from EZAG, which was sent on time to the competent supervisory authority for approval.

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

43 | SEGMENT REPORTING

The Group has applied IFRS 8 "Operating Segments" since 1 January 2009. In accordance with IFRS 8, operating segments must be separately identified based on the Group's internal management reporting. These internal segments are those that are regularly reviewed by the Group's main decision-makers with regard to decisions about the distribution of resources to this segment and the assessment of its financial performance.

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

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

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

In addition, the segment markets products designed for radiation therapists, a group of doctors that is specialised in treating cancer through irradiation. Its two most important products are small radioactive implants for treating prostate cancer based on iodine-125 (so-called “seeds”) and eye applications based on ruthenium-106 or iodine-125 for treating uveal melanoma (eye cancer). During the 2021 financial year, the business with tumour irradiation equipment (HDR) was spun off to a separate company, BEBIG Medical GmbH, following which 51% of the shares in that company were sold to TCL Healthcare Equipment (TCL) in Shanghai.

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

The **Other** segment encompasses the items of the holding company Eckert & Ziegler Strahlen- und Medizintechnik and of PentixaPharm GmbH.

SEGMENT REPORTING

	Isotope Products		Medical		Other		Elimination		Total	
€ thousand	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from external customers	95,807	89,563	84,505	86,576	123	0	0	0	180,435	176,139
Revenue from other segments	4,756	3,962	460	284	0	0	–5,216	–4,246	0	0
Total segment revenue	100,563	93,525	84,965	86,861	123	0	–5,216	–4,246	180,435	176,139
Net income/expense from shares measured at equity	283	739	364	669	–295	–941	0	0	351	467
Segment net income/expense before interest and taxes (EBIT)	16,460	10,014	32,501	25,247	–1,401	–3,127	–111	–42	47,449	32,092
Interest income/expenses	–684	–581	–215	–297	–164	–108	0	41	–1,063	–944
Income taxes	–3,761	–2,390	–8,042	–7,555	41	311	33	0	–11,729	–9,634
Net income/expense before non-controlling interests	12,015	7,043	24,244	17,395	–1,524	–2,924	–77	0	34,657	21,514

SEGMENT REPORTING

	Isotope Products		Medical		Holding company		Total	
€ thousand	2021	2020	2021	2020	2021	2020	2021	2020
Segment assets	175,933	158,765	132,988	112,846	160,730	121,570	469,651	393,180
Elimination of shares, participations, and receivables between segments							–121,922	–103,737
Consolidated total assets							347,729	289,443
Segmental liabilities	–98,217	–88,617	–69,435	–63,108	–19,717	–7,550	–187,369	–159,274
Elimination of liabilities between segments							32,166	16,190
Consolidated liabilities							–155,203	–143,084
Participations in associates	3,575	4,089	11,511	756	0	2,050	15,086	6,895
Investments (not including company acquisitions)	4,017	2,727	20,951	4,255	3,887	83	28,855	7,065
Scheduled depreciation/amortisation, including right-of-use assets under IFRS 16	–5,207	–4,749	–3,285	–4,953	–1,103	–1,007	–9,595	–10,709
Other material non-cash income (+)/expenses (–)	–135	715	–56	2,280	282	–982	91	2,013

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT, BY REGION

€ thousand	2021	2020
Germany	77,574	49,924
USA	37,335	22,669
Other	8,393	4,285
Total	**123,302**	**76,878**

EXTERNAL REVENUE, BY GEOGRAPHIC REGION

	2021		2020	
	€ million	%	€ million	%
Europe	85.6	47	82.4	47
North America	63.5	35	60.5	34
Asia/Pacific	19.1	11	18.2	10
Other	12.3	7	15.0	9
Total	**180.4**	**100**	**176.1**	**100**

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

In the 2021 and 2020 financial years, the Group did not have any individual customers who generated more than 10% of total consolidated revenue.

44 | RELATED PARTIES

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

a) Members of the management in key positions

Executive Board

- **Dr Andreas Eckert** (Chairman of the Executive Board, responsible for Group strategy, finance and capital market communications, as well as the Isotope Products and Other segments), Wandlitz, businessman – *On other bodies: Chairman of the Board of Directors of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA*
- **Dr Harald Hasselmann** (Member of the Executive Board, responsible for sales in the Medical segment and for Human Resources), Berlin, businessman – *On other bodies: none*
- **Dr Lutz Helmke** (Member of the Executive Board, responsible for operational issues in the Medical segment, Berlin, PhD in radiochemistry – *On other bodies: none*

Other members of the management in key positions

- **Dr Gunnar Mann** (responsible for radiation protection, information technology and infrastructure)
- **Frank Yeager** (President of Eckert & Ziegler Isotope Products Inc.)
- **Joseph Hathcock** (Vice-president of Eckert & Ziegler Isotope Products Inc.)
- **Claudia Goulart** (Managing Director of Eckert & Ziegler Brasil Participações Ltda., Eckert & Ziegler Brasil Comericial Ltda. and Eckert & Ziegler Brasil Logistica Ltda.)
- **Ivan Simmer** (Managing Director and minority shareholder of Eckert & Ziegler Cesio s.r.o.)

Supervisory Board

In the 2021 financial year, the Supervisory Board comprised the following members:

- **Prof Dr Wolfgang Maennig** (Chairman), Berlin, Germany, university professor – *On other supervisory bodies: none*
- **Prof Dr Helmut Grothe**, (Deputy Chairman), Wandlitz, Germany, lawyer, professor at the Free University of Berlin – *On other supervisory bodies: none*
- **Albert Rupprecht**, Waldthurn, economics graduate, member of the German Bundestag – *On other supervisory bodies: none*
- **Dr Edgar Löffler**, Berlin, Germany, medical physicist – *On other supervisory bodies: none*
- **Jutta Ludwig**, Hamburg, Germany, economics graduate and sinologist – *On other supervisory bodies: none*
- **Frank Perschmann**, Berlin, Germany, engineering graduate – *On other supervisory bodies: none*

In 2021 and 2020, the following transactions were conducted with members of the Supervisory Board; all transactions were settled at arm's length:

Eckert & Ziegler AG concluded a consulting agreement with a member of the Supervisory Board in connection with the development of the Group's business activities in China. This agreement resulted in expenses in the 2021 financial year of € 25 thousand (previous year: € 0 thousand). As at 31 December 2021, there were no outstanding liabilities under this agreement, as was the case in the previous year.

b) Joint ventures in which the Group is a partner company

Eckert & Ziegler BEBIG GmbH holds 15% of the shares in the associate ZAO NanoBrachyTech. Eckert & Ziegler BEBIG supplies weak radioactive implants to OOO BEBIG, a wholly-owned subsidiary of the joint venture. The revenue of OOO BEBIG in the 2021 financial year amounted to € 1,400 thousand (previous year: € 4,791 thousand). As at 31 December 2021, the liabilities of Eckert & Ziegler BEBIG GmbH to OOO BEBIG from advance payments received amounted to € 40 thousand (previous year: outstanding receivable of € 51 thousand).

c) Other related parties

- Eckert Wagniskapital und Frühphasenfinanzierung GmbH (EWK), which holds 30.8% of the shares of Eckert & Ziegler AG and whose principal member, Dr Andreas Eckert, is the Chairman of the Executive Board of Eckert & Ziegler AG.
- Eckert Beteiligungen 2 GmbH (EB2), which is a wholly owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- ELSA Eckert Life Science Accelerator GmbH (ELSA), which is a wholly owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- ELSA 2 Beteiligungen GmbH (ELSA2), which is a wholly owned subsidiary of Eckert Wagniskapital und Frühphasenfinanzierung GmbH.
- Eckert Digital UG (limited liability) (EDUG), which is wholly owned by Eckert Wagniskapital und Frühphasenfinanzierung GmbH.

In 2021 and 2020, the following material transactions were conducted with related parties; all transactions were settled at arm's length:

In January 2020, ELSA Eckert Life Science Accelerator GmbH (ELSA) subscribed to 24,999 shares in Pentixapharm GmbH, Würzburg, as part of a capital increase and undertook in connection with the participation contract to make milestone-dependent payments into the capital reserves of Pentixapharm GmbH. In February 2020, ELSA concluded a notarised option agreement with Eckert & Ziegler Radiopharma GmbH (EZR). This agreement granted Eckert Ziegler Radiopharma GmbH an option to acquire 18,449 shares in Pentixapharm GmbH. In exchange, EZR undertook to assume the financing expenses incurred in connection with the participation contract with Pentixapharm GmbH up to an amount of € 3 million. In April 2021, EZAG directly acquired 24,999 shares in Pentixapharm GmbH from ELSA at the total purchase price of € 4,025 thousand. The financing expenses assumed by EZR in connection with the aforementioned option agreement in the amount of €3 million were applied toward the purchase price and refunded to EZR by EBAG. The option agreement was cancelled in this connection. In addition, in connection with this acquisition, EZAG became a party to the participation contract with the other members of Pentixapharm GmbH and took over from ELSA the milestone-dependent financing obligations that were still outstanding (in April 2021: € 11 million). In exchange, in the event of a possible future sale of the participation, EZAG will receive a preferential payout in the amount of the financing it provided, plus interest of 6% p.a.

In October 2012, Eckert & Ziegler AG, Eckert & Ziegler BEBIG GmbH, Eckert & Ziegler Radiopharma GmbH and Eckert & Ziegler Eurotope GmbH concluded a long-term lease with Eckert Beteiligungen 2 GmbH for a production and administration building at the location in Berlin-Buch. With effect from 1 January 2018, Eckert & Ziegler AG became a party to the leases of the other three companies with Eckert Beteiligungen 2 GmbH as general tenant. In the 2021 financial year, rent amounted to € 617 thousand (previous year: € 682 thousand). As at 31 December 2021, due to the application of lease accounting under IFRS 16, the balance sheet showed lease liabilities owed to Eckert Beteiligungen 2 GmbH in the amount of € 3,689 thousand (previous year: € 4,285 thousand).

In the 2021 financial year, Eckert Digital UG (limited liability) provided services in the amount of € 2 thousand (previous year: € 0 thousand) in connection with the Group's website and the management of a securities account. As at 31 December of the 2021 and 2020 financial years, there were no liabilities to Eckert Digital UG (limited liability).

The balances for related parties of the Eckert & Ziegler Group with respect to receivables, loan receivables, liabilities and loan liabilities as at 31 December of the 2021 and 2020 financial years were as follows:

€ thousand	2021	2020
Receivables from related parties	0	51
Liabilities to related parties	3,729	4,285

45 | DISCLOSURES CONCERNING THE REMUNERATION OF MEMBERS OF GOVERNING BODIES

In the 2021 financial year, the members of the Executive Board were paid total remuneration of € 4,567 thousand (previous year: € 1,831 thousand). Of this total remuneration, € 853 thousand (previous year: € 981 thousand) was attributable to fixed remuneration components and € 3,714 thousand (previous year: € 850 thousand) to variable remuneration components. In 2021 the variable remuneration components included share-based remuneration that was earned over several years and paid out in the 2021 financial year.

In accordance with an agreement reached with the Supervisory Board, Dr Harald Hasselmann receives most of his remuneration from the subsidiary Eckert & Ziegler BEBIG GmbH and Dr Lutz Helmke from the subsidiary Eckert & Ziegler Radiopharma GmbH.

In the 2021 financial year, the members of the Supervisory Board received fixed remuneration of € 126 thousand (previous year: € 126 thousand) and attendance fees of € 35 thousand (previous year: € 29 thousand). This corresponds to a total expenditure of € 161 thousand (previous year: € 155 thousand).

The company's remuneration policy for members of governing bodies as well for the Executive Board and the Supervisory Board is set out in the remuneration report.

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

46 | EVENTS AFTER THE BALANCE SHEET DATE

With the military attacks by Russia on large sections of Ukraine and the declaration of a state of war, the further escalation of the Russia-Ukraine conflict reached it pinnacle to date in March 2022. In certain areas, Eckert & Ziegler is currently dependent on the importation of radioactive raw materials from Russia. At the time the report was prepared, the trading in radioactive products with Russia was not subject to sanctions, but the aggravated logistics and payment settlement during times of war constitutes for the Group an impediment to the transaction of business with Russia. If further sanctions are imposed, such as bans on the importing of radioactive raw materials or further restrictions on international air travel to and from Russia, the situation would likewise be critical, since existing supply chains could collapse. Based on experiences during the coronavirus crisis, however, the Executive Board is optimistic that the supply chains for especially important areas, such as medical products, in which Eckert & Ziegler operates will remain intact even if the restrictions were to tighten. However, such events, let alone potential further developments in the war in Ukraine, cannot be forecast with certainty. For further details, please see the relevant comments in the outlook section of the combined management report.

In addition, two events of special significance occurred after the close of the financial year:

On 3 January 2022, Eckert & Ziegler Isotope Products Holdings GmbH (Isotope Products segment) directly and indirectly acquired 100% of the shares of the Argentinian nuclear medicine specialist Tecnonuclear S.A., a manufacturer of technetium-99 generators with a portfolio of related biomolecules. These so-called “cold kits” serve as a vehicle for injecting technetium-99 and bind to the target organ to be diagnosed. Together with the generators, these generic traces are often also referred to as SPECT diagnostics. They constitute the class of nuclear medicine products that is used most frequently worldwide for detecting cancer and cardiovascular anomalies. Tecnonuclear, based in Buenos Aires, has 60 employees and generated revenue of roughly USD 10 million in 2021. The products were already being marketed by Eckert & Ziegler in Brazil where they are sold together with the generators as supplies for single-photon emission computed tomography (SPECT). Although Tecnonuclear covers a significant portion of the value-added chain for SPECT biomolecules, the products have so far not been sold outside of Latin America. The purchase price, which was primarily based on Tecnonuclear’s profitability, was paid for in full from the cash flow of Eckert & Ziegler. The transaction took place without outside financing.

On 10 January 2022, Eckert & Ziegler Radiopharma GmbH (Medical segment) concluded a joint venture agreement and an exclusive long-term supply contract for ytterbium-176 with Atom Mines LLC (Texas, USA), a manufacturer of ytterbium and a subsidiary of the Pointsman Foundation (Texas, USA). The addition of liquidity was paid for in full from the cash flow of Eckert & Ziegler. The transaction took place without outside financing.

There were no other events of special significance that had a material effect on the Group’s net assets, financial position and financial performance.

47 | TOTAL FEE OF THE GROUP STATUTORY AUDITOR

In the financial year under review, the total fee paid for the services provided by the Group statutory auditor, excluding customary expenses, amounted to € 416 thousand (2020: € 404 thousand), of which € 395 thousand (2020: € 342 thousand) was attributable to the audit of the annual and consolidated financial statements of EZAG and its various subsidiaries, € 18 thousand (2020: € 58 thousand) to other assurance services, € 0 thousand (2020: € 1 thousand) to tax advisory services, and € 3 thousand (2020: € 3 thousand) to other services.

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

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

Berlin, 29 March 2022

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

Dr Andreas Eckert Dr Harald Hasselmann Dr Lutz Helmke

CONSOLIDATED STATEMENT OF CHANGES IN ASSETS

CHANGES IN ASSETS AS AT 31 DECEMBER 2021

	Historical cost						
€ thousand	Balance as at 1 Jan 2021	Assets held for sale pursuant to IFRS 5	Additions	Disposals	Reclassi-fications	Currency translation	Balance as at 31 Dec 2021
NON-CURRENT ASSETS							
I. Intangible assets							
1 Goodwill	38,449	0	0	6	0	1,254	39,697
2 Acquired intangible assets	24,130	–2,835	23,214	3,774	–46	579	41,268
3 Internally generated intangible assets	9,646	0	2,540	3,831	186	0	8,541
4 Advance payments	0	0	240	0	–140	0	100
	72,225	**–2,835**	**25,994**	**7,611**	**0**	**1,833**	**89,606**
II. Property, plant and equipment							
1 Land and buildings	17,179	–54	10,468	590	1,101	1,215	29,319
2 Plant and machinery	51,382	–98	5,068	1,519	2,391	1,048	58,272
3 Other plant and equipment	12,366	–168	1,133	287	0	187	13,231
4 Plants under construction	10,303	0	11,671	49	–3,492	439	18,872
	91,230	**–320**	**28,340**	**2,445**	**0**	**2,889**	**119,694**
	163,455	**–3,155**	**54,334**	**10,056**	**0**	**4,722**	**209,300**

Depreciation							Residual carrying amounts	
Balance as at 1 Jan 2021	Additions	Assets held for sale pursuant to IFRS 5	Disposals	Reclassifications	Currency translation	Balance as at 31 Dec 2021	Balance as at 31 Dec 2021	Balance as at 31 Dec 2020
6,001	0	0	0	0	86	6,087	33,610	32,448
18,215	1,266	–1,692	1,634	–35	562	16,682	24,586	5,915
9,147	48	0	3,824	35	0	5,406	3,135	499
0	0	0	0	0	0	0	100	0
33,363	**1,314**	**–1,692**	**5,458**	**0**	**648**	**28,175**	**61,431**	**38,862**
7,689	799	–13	258	0	480	8,697	20,622	9,490
36,072	3,159	–34	1,057	0	725	38,865	19,407	15,310
9,453	1,156	–105	673	0	430	10,261	2,970	2,913
0	0	0	0	0	0	0	18,872	10,303
53,214	**5,114**	**–152**	**1,988**	**0**	**1,635**	**57,823**	**61,871**	**38,016**
86,577	**6,428**	**–1,844**	**7,446**	**0**	**2,283**	**85,998**	**123,302**	**76,878**

CHANGES IN ASSETS AS AT 31 DECEMBER 2020

	Historical cost						
€ thousand	**Balance as at 1 Jan 2020**	Assets held for sale pursuant to IFRS 5	Additions	Disposals	Reclassifications	Currency translation	**Balance as at 31 Dec 2020**
NON-CURRENT ASSETS							
I. Intangible assets							
1 Goodwill	48,155	–8,000	0	0	0	–1,706	38,449
2 Acquired intangible assets	26,307	–888	172	502	234	–1,193	24,130
3 Internally generated intangible assets	9,680	0	0	8	0	–26	9,646
4 Advance payments	161	0	4	0	–165	0	0
	84,303	**–8,888**	**176**	**510**	**69**	**–2,925**	**72,225**
II. Property, plant and equipment							
1 Land and buildings	22,076	0	575	4,491	0	–981	17,179
2 Plant and machinery	56,753	–664	2,064	5,741	205	–1,235	51,382
3 Other plant and equipment	16,119	–109	791	4,148	13	–300	12,366
4 Plants under construction	8,224	0	4,004	1,410	–287	–228	10,303
	103,172	**–773**	**7,434**	**15,790**	**–69**	**–2,744**	**91,230**
	187,475	**–9,661**	**7,610**	**16,300**	**0**	**–5,669**	**163,455**

Depreciation							Residual carrying amounts	
Balance as at 1 Jan 2020	Additions	Assets held for sale pursuant to IFRS 5	Disposals	Reclassi-fications	Currency translation	**Balance as at 31 Dec 2020**	**Balance as at 31 Dec 2020**	**Balance as at 1 Jan 2020**
6,096	0	0	0	0	–95	6,001	32,448	42,059
18,723	1,454	–621	444	3	–900	18,215	5,915	7,584
8,691	468	0	8	0	–4	9,147	499	989
0	0	0	0	0	0	0	0	161
33,510	**1,922**	**–621**	**452**	**3**	**–999**	**33,363**	**38,862**	**50,793**
11,642	783	0	4,204	0	–532	7,689	9,490	10,434
39,042	3,520	–146	5,554	29	–819	36,072	15,310	17,711
12,483	1,225	0	4,007	–32	–216	9,453	2,913	3,636
0	0	0	0	0	0	0	10,303	8,224
63,167	**5,528**	**–146**	**13,765**	**–3**	**–1,567**	**53,214**	**38,016**	**40,005**
96,677	**7,450**	**–767**	**14,217**	**0**	**–2,566**	**86,577**	**76,878**	**90,798**

INDEPENDENT AUDITOR'S REPORT

To the Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of the Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2021 to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report of the Eckert & Ziegler Strahlen- und Medizintechnik AG for the financial year from 1 January 2021 to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section "OTHER INFORMATION".

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the group as at 31 December 2021, and of its financial performance for the financial year from 1 January 2021 to 31 December 2021, and
- the accompanying combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2021 to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

We identified the following matters as key audit matters:

- Impairment of the Goodwill
- Valuation of provisions for restoration obligations and provisions for disposal obligations

1. Impairment of the Goodwill

Matter

In the consolidated financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG as at 31 December 2021, the goodwill in the amount EUR 33.6 million (9.7 % of the total assets) is reported under "non—current assets".

Goodwill is allocated to the smallest identifiable cash-generating units at the level, at which the goodwill is monitored for internal management purposes, and tested for impairment annually and, if necessary, in addition on an ad hoc basis.

The assessment of the recoverability of goodwill requires a large number of discretionary decisions by the legal representatives. The basis for assessing whether there are indications of impairment of these assets and for determining the fair values are the future cash flows resulting from the budget statements prepared by the legal representatives and approved by the Supervisory Board for the respective cash-generating units. These budget statements are based on expectations regarding future market development as well as sales and margin developments. The fair values of the cash-generating units are determined using discounted cash flow models and are dependent not only on the assessment of the legal representatives with regard to future cash inflows, but also on the respective discount rates used.

Due to the uncertainty associated with the discretionary decisions and assessments of the legal representatives and the amount of the goodwill, its recoverability was a particularly important audit circumstance in our audit.

The information provided by the Eckert & Ziegler Strahlen- und Medizintechnik AG on goodwill can be found in Note 19 of the notes to the consolidated financial statements.

Auditor's Response and Conclusions

As part of our audit, we assessed the appropriateness of the key assumptions and discretionary parameters as well as the method of calculating the impairment tests, involving our valuation specialists in so doing. We gained an understanding of the planning system and of the planning process, as well as the essential assumptions made by the legal representatives in their planning. We coordinated the forecast of future cash flow surpluses in the detailed planning period with the multi-year plan approved by the Supervisory Board and convinced ourselves of the Company's planning loyalty based on an analysis of deviations between actual and planned deviations in the past and in the current fiscal year. We reconstructed the assumptions underlying the forecasts and the growth rates used to forecast cash flows beyond the forecast period by comparing them with past performance and current industry-specific market expectations. In addition, we critically examined the discount rates used based on the average cost of capital of a peer group. Our audit also included the sensitivity analyses carried out by the Eckert & Ziegler Strahlen- und Medizintechnik AG. With regard to the effects of possible changes in the cost of capital and the assumed growth rates, we also conducted our own sensitivity analyses.

As a result, we were able to check the intrinsic value of the goodwill reported in the consolidated financial statements.

2. Valuation of provisions for restoration obligations and provisions for disposal obligations

Matter

In the consolidated financial statements of the Eckert & Ziegler Strahlen- und Medizintechnik AG as at 31 December 2021, the item "Other non-current provisions" of EUR 59.8 million includes EUR 30.9 million of provisions for restoration obligations. In addition, EUR 26.5 million of the provisions for the obligation to process own and third-party radioactive waste as well as take-back obligations for sold radiation sources (hereinafter referred to as "provisions for disposal obligations") are shown under "Other non-current provisions" and EUR 3.6 million of these provision are recognised under "Other current provisions".

Subsidiaries of the Eckert & Ziegler Strahlen- und Medizintechnik AG produce isotope technology components, radiation equipment and radiopharmaceuticals in their own and rented buildings. The production facilities and buildings are contaminated accordingly. Provisions for restoration obligations have to be formed against the backdrop of existing obligations to restore the state prior to decontamination.

In the production process of subsidiaries of the Eckert & Ziegler Strahlen- und Medizintechnik AG, radioactive residues are produced and, in addition, subsidiaries of Eckert & Ziegler Strahlen- und Medizintechnik AG accept radioactive residual materials from third parties for disposal. Provisions have to be set up for the disposal obligations.

Under IAS 37, provisions for restoration and disposal obligations must be measured based on the best possible estimate of the expenses associated with the obligation as at the balance sheet date. All risks and uncertainties must be taken into account. In accordance with IAS 37.45, non-current provisions are discounted to the present value of the expenses as at the balance sheet date.

Determining the restoration or disposal obligations is based on various assumptions based on estimates that mainly concern the following parameters:

- time of occurrence of the costs of decontamination or disposal (including time of disposal of the residues),
- development of statutory regulations, e.g. limit values and required measures concerning the handling of
- radioactive substances (including prediction of the disposal methods),
- development of the costs of decontamination or disposal,
- discount factor.

Due to the uncertainty associated with the assumptions and estimates of the legal representatives, the valuation of provisions for restoration or disposal obligations in the course of our audit was a particularly important audit circumstance.

The information provided by Eckert & Ziegler Strahlen- und Medizintechnik AG on other provisions is contained in Note 33 of the notes to the consolidated financial statements.

Auditor's Response and Conclusions

To assess the provisions for restoration obligations, we have assessed the approach taken by the legal representatives to determine the measures to be taken (e.g. cleaning). In order to identify the probable date of the dismantling, we have assessed, among other things, the rental periods as per the existing leases and coordinated it with the underlying timetable. We have reviewed the scope of the measures and the dismantling obligations as well as the imputed costs assumed by the legal representatives for the valuation. To this end, we deliberately coordinated the selection of the areas and machines with the production areas and equipment and assessed the imputed costs by comparing the estimated costs with the current costs.

To assess the provisions for disposal obligations, we first obtained an understanding of the process of systematic quantitative recording and forward projection of radioactive wastes. As part of a sample inventory, we reviewed the inventories, obtaining third-party confirmations for stocks held at third parties with a deliberate selection process. We compared these stocks with the inventory of radioactive residues. In a next step, we gained an understanding of the planning system and of the planning process as well as of the essential assumptions and expectations made by the legal representatives in the planning with regard to the disposal methods, the associated costs, and the planned disposal times. We reviewed the plans for the years following the balance sheet date by analysing and assessing the planning parameters in detail and mathematically reconstructing the cash value calculated by the client using the discounted cash flow method. For this purpose, we correlated the cost developments and delivery times planned by the legal representatives to our understanding of the existing disposal options. We had the assumptions of the company's expert presented to us in detail and substantiated. We also used an analysis of deviation from planned targets in the past to determine whether costs were properly assessed in the past. To assess the discount rate, we consulted our valuation specialists who reconstructed the discount rate used.

As a result, we were able to were able to check whether the valuation of the provisions for restoration and disposal obligations shown in the consolidated financial statements is adequate.

OTHER INFORMATION

The executive directors or the supervisory board are responsible for the other information. The other information comprises:

- the Disclosures to the EU Taxonomy in the Section 5.1 of the combined management report,
- the separately published non-financial statement referred to in Section 5.2 of the combined management report,
- the separately published statement on corporate governance referred to in Section 5.5 of the combined management report,
- the other parts of the annual report, except for the audited consolidated financial statements and combined management report as well as our auditor's report, and
- the insurance pursuant to Article 297 (2) sentence 4 HGB on the consolidated financial statements and the insurance pursuant to Article 315 (1) sentence 5 HGB on the combined management report.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

Reasonable Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached electronic file [EZAG_KAP2021_ESEF.zip (SHA256-Hash value: d21d90976ac397f1664fce827a085db7213ee526 e4a7a17c5757f6cbd57a8f38] and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other in-formation contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report/combined management report for the financial year from 1 January 2021 to 31 December 2021 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (10.2021)). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the

ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the consolidated general meeting on 2 June 2021. We were engaged by the supervisory board 20 January 2022. We have been the group auditor of the Eckert & Ziegler Strahlen- und Medizintechnik AG without interruption since the financial year 2014.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER — USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format — including the versions to be published in the Federal Gazette — are merely electronic renderings of the audited consolidated financial statements and the combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Alexey Nekhin.

Berlin, 29 March 2022

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Pfeiffer	signed Nekhin
Wirtschaftsprüfer [Public Auditor]	Wirtschaftsprüfer [Public Auditor]

SEPARATE FINANCIAL STATEMENTS OF ECKERT & ZIEGLER AG

INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021

		2020 € thousand	**2021** € thousand
1	Revenues	7,394	7,904
2	Other operating income	4,490	335
		11,884	**8,239**
3	Personnel expenses		
a)	Wages and salaries	–4,008	–4,237
b)	Social insurance contributions and expenses for pensions and other employee benefits	–450	–496
	thereof for pensions: € 14 thousand (previous year: € 1 thousand)		
		–4,458	**–4,733**
4	Amortisation/depreciation of intangible non-current assets and property, plant and equipment	–443	–295
5	Other operating expenses	–5,514	–6,189
6	Income from profit transfer agreements	18,742	24,059
7	Income from participations	2,809	8,524
	thereof from affiliated companies: € 2,800 thousand (previous year: € 5,168 thousand)		
8	Other interest and similar income	38	0
9	Interest and similar expenses	–74	–88
10	Income taxes	–5,538	–6,804
11	Net income after taxes	17,446	22,713
12	**Net profit for the year**	**17,446**	**22,713**
13	Profit carried forward from the previous year	0	0
14	Balance Sheet profit	17,446	22,713
	Appropriation of balance sheet profit:		
15	Balance sheet profit	17,446	22,713
16	Dividend*	–9,265	–12,454
17	Allocation to retained earnings*	–8,181	–10,259
18	**Profit carried forward to the following year**	**0**	**0**

** subject to the approval of the shareholders*

BALANCE SHEET AS OF DECEMBER 31, 2021

	Dec 31, 2020 € thousand	Dec 31, 2021 € thousand
Assets		
A. Non-current assets		
I. Intangible assets		
1 Self-created industrial property rights and similar rights	877	0
2 Licenses acquired against payment, industrial property rights and similar rights and as-sets, as well as licenses for such rights and assets	503	456
3 Advance payments made	0	133
	1,380	**589**
II. Property, plant and equipment		
1 Land, land-type rights and buildings	13	745
2 Other plant and equipment	356	434
	369	**1,179**
III. Financial assets		
1 Interests in affiliated companies	75,363	103,667
2 Participations	681	276
	76,044	**103,943**
	77,793	**105,711**
B. Current assets		
I. Receivables and other assets		
1 Trade receivables	11	0
2 Receivables from affiliated companies	22,862	24,059
3 Other assets	529	548
	23,402	**24,607**
II. Securities classified as current assets	902	803
III. Balances with financial institutions	4,720	9,759
	29,024	**35,169**
C. Prepaid expenses	**248**	**218**
	107,065	**141,098**
Liabilities		
A. Equity		
I. Subscribed capital	21,172	21,172
less treasury shares	–582	–416
Issued capital	20,590	0
II. Capital reserves	55,244	63,110
III. Retained earnings		
other retained earnings	9,567	19,370
IV. Unappropriated surplus	17,446	22,713
	102,847	**125,949**
B. Special item for allocations to non-current assets	**75**	**57**
C. Provisions		
1 Provisions for pensions and similar obligations	271	272
2 Tax provisions	903	1,505
3 Other provisions	2,322	3,302
	3,496	**5,079**
D. Liabilities		
1 Trade payables	443	254
2 Liabilities to affiliated companies	111	8,646
3 Other liabilities	77	1,113
(thereof for taxes: € 68 thousand; previous year: € 76 thousand)		
(thereof in connection with social security: € 5 thousand; previous year: € 2 thousand)		
	631	**10,013**
E. Deferred income	**16**	**0**
	107,065	**141,098**

GLOSSARY

A

Afterloader for afterloading therapy: Short-term radiation in cancer treatment in which a mostly wire-bonded radioactive source is propelled electrically for a brief period into the target tumor area by means of a tube-like catheter or by cannulas. Several sessions are usually necessary

B

Brachytherapy Contact treatment mainly in the form of irradiation with a minimal distance between the source of radiation and the tissue which is to be irradiated

C

Calibrated-reference emitters Radioactive sources used as a reference standard for measuring instruments

Carrier molecule A carrier molecule is a molecule that carries the radiolabeled substance (e.g. radioactive 68Ga) to the targeted area

Calibration Referencing of measuring instruments to specified standards

Contrast medium Medicinal product which improves the representation of structures and functions of the body in imaging processes

E

Eye applicator Anatomically formed radiation source for radiotherapy for eye tumors

Emitter here: device that transmits radioactive rays. Sometimes also referred to as “source”

I

IFRS Abbreviation for International Financial Reporting Standards. International accounting standards according to which these consolidated financial statements were prepared

Implants Natural or synthetic elements implanted in the body (here they are synonymous with seeds)

Implantation Placement or insertion of foreign materials into an organism

Isotope Chemical element having the same atomic number but different atomic weight. Isotopes can be stable or can disintegrate when subject to ionizing radiation (radioactive isotopes)

Iodine-125 Radioisotope of iodine. Low-energy photon radiation is used therapeutically

M

Modular-Lab Synthesis device for the production of radioactive diagnostics

Myocardial scintigraphy Nuclear medicine imaging test to investigate the blood supply to the heart

N

NASM North American Scientific, Inc. (Nasdaq: NASM). Former competitor whose industrial sources business was acquired by Eckert & Ziegler in 2008

Neuroendocrine tumors (NET) Benign or malignant tumors that develop from hormone-producing (endocrine) cells

Nuclear Imaging Image processing for nuclear medical purposes

Nuclear medicine Medical area concerned with the diagnostic and therapeutic use of open, usually ephemeral radionuclides

O

Oncology Medical area which deals with the origin and treatment of malignant tumors

Ophthalmology Science of the eye and eye diseases

P

Permanent implants Implants intended to remain in the organism/body permanently

Planning software Special software to support the planning of brachytherapy treatment

Positron Elementary particle with the mass of an electron, but with positive charge

Positron emission tomography (PET) Imaging process of nuclear medicine that produces sectional images of living organisms, in which it makes the distribution of low level radioactive marked substances (radiopharmacon, PET-Tracer) visible by using photons created by positron decay

Prostate Chestnut-size organ situated around the neck of the male urethra

R

Radioactivity Property of unstable nuclides emitting spontaneously or through disintegration of the atomic nuclei alpha and beta rays or electromagnetic waves (gamma rays)

Radiodiagnostics Radioactive substances which are used to diagnose illnesses. See also Radiopharmaceuticals

Radioisotope See Radionuclide

Radiolabeled peptides Peptides are small, protein-like structures. The peptides in radiolabeled peptides act as carriers for radioactive particles (e.g. yttrium-90)

Radionuclide See Isotope

Radiopharmaceuticals Substances and medications which, based on radioactive nuclides, are effective and are used in diagnosis and therapy in nuclear medicine

Raw isotope Radioactive starting substance for producing radiation sources

S

SagiNova® afterloader, uses the afterloading technique where the radiation source (in the afterloader) is positioned in the immediate vicinity of the tumor via remote control and with the assistance of applicators. This allows the tumor to be irradiated without damaging the surrounding healthy tissue

Seed Small metal pins containing radioisotopes for interstitial radiation therapy

Synthesis modules here: components of the modular equipment system of the product Modular-Lab for automated synthesis of radiopharmaceuticals and radioactive chemicals

T

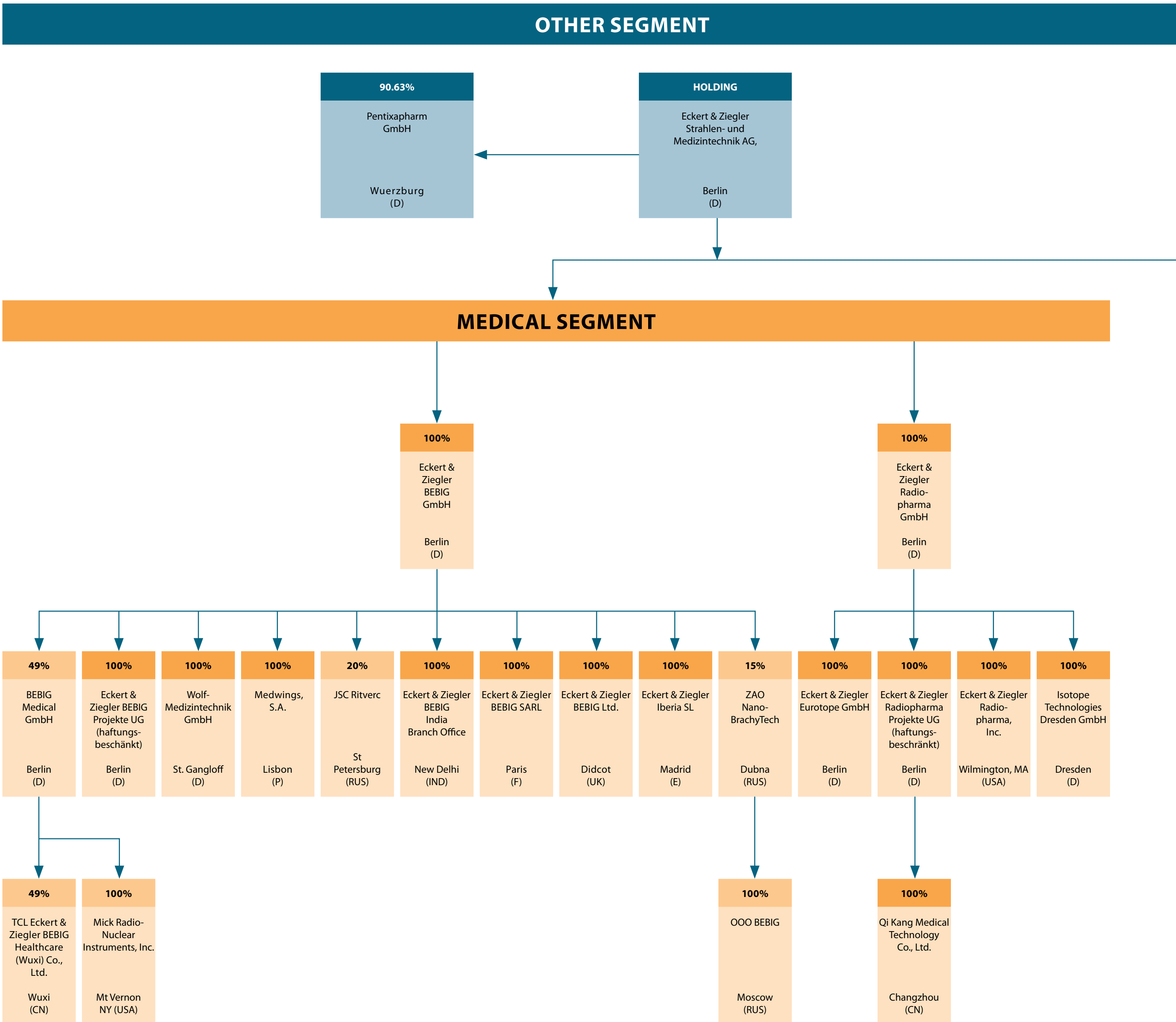
Tracer A radiochemical tracer is a radiolabeled substance that is absorbed into the metabolism after it enters the body and can be used for a wide range of analyses

Tumor irradiation device See Afterloader

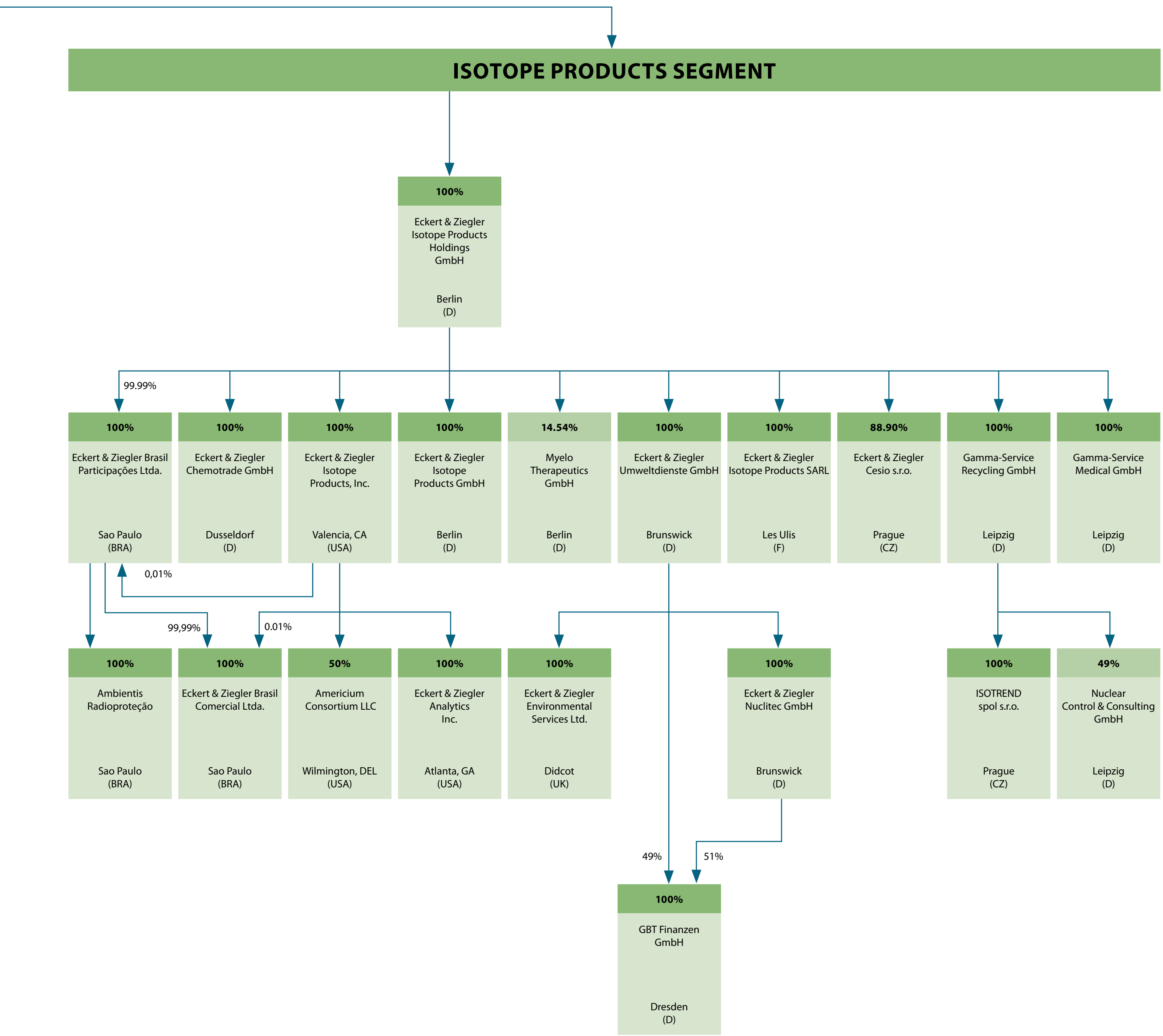
Y

Yttrium-90 radioactive isotope used with the internal radiotherapy among others for treating chronic-inflamed joint diseases (radiosynoviorthesis) or for cancer treatment.
For the transport to the tumor the yttrium-90 is either coupled to active chemical ingredients or laden on little balls (see radio embolizers)

CORPORATE STRUCTURE (AS OF JANUARY 1, 2022)



Consolidated companies
Investment valued at-equity


ISOTOPE PRODUCTS SEGMENT
100%
Eckert & Ziegler Isotope Products Holdings GmbH
Berlin (D)
99.99%
100%
Eckert & Ziegler Brasil Participações Ltda.
Sao Paulo (BRA)
100%
Eckert & Ziegler Chemotrade GmbH
Dusseldorf (D)
100%
Eckert & Ziegler Isotope Products, Inc.
Valencia, CA (USA)
100%
Eckert & Ziegler Isotope Products GmbH
Berlin (D)
14.54%
Myelo Therapeutics GmbH
Berlin (D)
100%
Eckert & Ziegler Umweltdienste GmbH
Brunswick (D)
100%
Eckert & Ziegler Isotope Products SARL
Les Ulis (F)
88.90%
Eckert & Ziegler Cesio s.r.o.
Prague (CZ)
100%
Gamma-Service Recycling GmbH
Leipzig (D)
100%
Gamma-Service Medical GmbH
Leipzig (D)
0,01%
99,99%
0.01%
100%
Ambientis Radioproteção
Sao Paulo (BRA)
100%
Eckert & Ziegler Brasil Comercial Ltda.
Sao Paulo (BRA)
50%
Americium Consortium LLC
Wilmington, DEL (USA)
100%
Eckert & Ziegler Analytics Inc.
Atlanta, GA (USA)
100%
Eckert & Ziegler Environmental Services Ltd.
Didcot (UK)
100%
Eckert & Ziegler Nuclitec GmbH
Brunswick (D)
100%
ISOTREND spol s.r.o.
Prague (CZ)
49%
Nuclear Control & Consulting GmbH
Leipzig (D)
49%
51%
100%
GBT Finanzen GmbH
Dresden (D)

FINANCIAL CALENDAR

May 12, 2022	Hauck & Aufhäuser Stockpicker Summit Berlin
May 12, 2022	Quarterly Report I/2022
June 01, 2022	Annual General Meeting
August 11, 2022	Quarterly Report II/2022
November 14, 2022	Quarterly Report III/2022
November 28–30, 2022	Equity forum Frankfurt

Subject to changes

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buch berlin
dedicated to health

KEY DATA

		Change	2018	2019	2020*	2021
Sales and Earnings						
Sales	€ million	+2%	168.7	178.5	176.1	180.4
EBITDA	€ million	+33%	31.7	43.2	42.8	57.0
Depreciations	€ million	–10%	8.5	11.1	10.7	9.6
EBIT	€ million	+48%	23.3	32.1	32.1	47.4
EBIT margin	%	+37%	14%	18%	19%	26%
Tax rate	%	–18%	26%	28%	31%	25%
Net profit for the year after taxes and minorities	€ million	+52%	16.1	22	22.6	34.5
Earnings per share	€	+62%	3.12	1.07	1.03	1.67
Cash Flow						
Cash flow from operating activities	€ million	–3%	21.1	40.4	34.9	33.9
Liquid assets as of 31 December	€ million	+7%	54.1	78.9	87.5	93.7
Balance						
Shareholders' equity	€ million	+32%	123.8	139.4	146.4	192.5
Total assets	€ million	+20%	229	274.2	289.4	347.7
Equity ratio	%	+9%	54%	51%	51%	55%
Net liquidity (liquidity minus debts)	€ million	–1%	54.1	59	67.1	66.7
Employees						
Average number of employees	People	+5%	788	778	798	840
Number of employees as of 31 December	People	+5%	788	825	828	866
Key figures share						
Average number of shares in circulation	Item in million	+1%	20.5	20.5	20.59	20.70
Book value per share as of 31 December	€	+31%	5.31	6.8	7.1	9.3
Dividend*	€	+11%	0.20	0.42	0.45	0.50

** 2021: Dividend to be proposed to the Annual General Meeting by the Group*
*** Adjusted due to restatement; see Notes to the Consolidated Financial Statements; Note 3 "SIGNIFICANT ACCOUNTING POLICIES" on page 72*
Figures for 2018 to 2019 under consideration of the share split in 2020

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