Eckert & Ziegler
Contributing to saving lives

ANNUAL REPORT

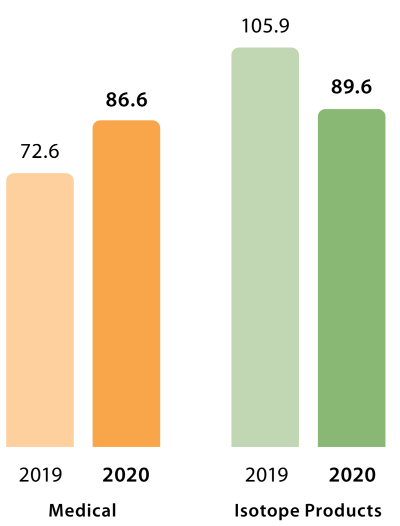
2020

KEY DATA

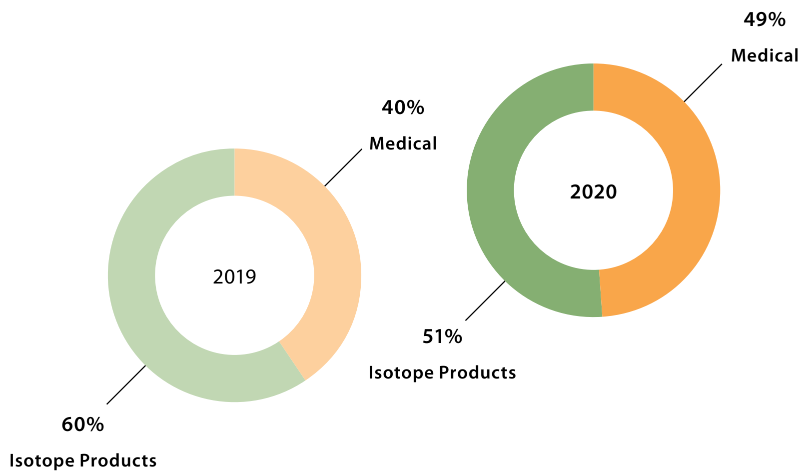
		Change	2019	2020
Sales and Earnings				
Sales	€ million	– 1%	178.5	176.1
EBITDA	€ million	+ 3%	43.2	44.7
Depreciations	€ million	– 1%	11.1	11.0
EBIT	€ million	+ 5%	32.1	33.7
EBIT margin	%	+ 6%	18	19
Tax rate	%	+ 4%	28	29
Net profit for the year after taxes and minorities	€ million	+ 4%	22.0	22.9
Earnings per share	€	+ 4%	1.07	1.11
Cash Flow				
Cash flow from operating activities	€ million	– 9%	40.4	36.8
Liquid assets as of 31 December	€ million	+ 11%	78.9	87.5
Balance				
Shareholders' equity	€ million	+ 7%	139.4	148.9
Total assets	€ million	+ 6%	274.2	292.0
Equity ratio	%	0%	51	51
Net liquidity (liquidity minus debts)	€ million	+ 18%	59.0	69.8
Employees				
Average number of employees	People	0%	778	798
Number of employees as of 31 December	People	0%	825	828
Key figures share				
Average number of shares in circulation	Item in million	0%	20.5	20.6
Book value per share as of 31 December	€	+ 6%	6.80	7.23
Dividend*	€	+ 7%	0.42	0.45

* *Dividend to be proposed to the Annual General Meeting by the Group*
The figures for the previous year have been adjusted retrospectively to reflect the share split which was carried out in the 3rd quarter of 2020.

SALES TRENDS BY SEGMENTS
in € million



SALES BY SEGMENTS
in %



CONTENT

We have used the traditional plural form in our Annual Report when referring to men, women and others to streamline the language used and facilitate reading. It goes without saying that everyone is included.

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.

1

MANAGEMENT

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

In the 1960s, the American Attorney General Robert F. Kennedy made public a curse that read: may you live in interesting times. I had to think of this curse when I looked at the 2020 financial year, which was marked by Corona, for my annual review – informal and subjective as always. We are experiencing an exceptional time. The pandemic has shaken up the world like not much else in recent decades.

Kennedy used the curse as a hook for an appeal not to let futility, expediency, timidity, and comfort prevent us from demanding fundamental liberties. His speech is therefore well suited to the present. Whatever adversities arise, we must not be intimidated by them, but see how we can make the best of them. If the pandemic does indeed accompany us for a longer period of time, the motto cannot be: health above all else. Not even for a company that makes a large part of its profits from cancer treatment products. The isolation of vulnerable and sick people, the restricted freedom of action and movement, the cancelled school lessons also cause costs and human suffering. A middle way will have to be found and risks accepted. In this context, voluntary individual precaution should always be given preference over mandatory collective measures. The less regulatory policy limits freedom, the better for all. Apart from a few black sheep, companies act responsibly even without pressure.

For Eckert & Ziegler, the Corona pandemic has so far been generally without serious consequences. We had quickly organised the necessary hygiene measures everywhere and registered only a handful of cases among the approximately 800 employees worldwide in which employees or members of organs became so infected that they had to go to hospital. No loss of life occured.

From an economic point of view, however, the pandemic hit us with full force. In the industrial business, we suffered a drop in turnover of more than a third because customers switched to power-saving mode or temporarily stopped their operations. The restricted freedom of travel for technicians and engineers caused service sales to drop. In the health sector, too, demand fell broadly for everything that did not serve immediate crisis management and could be postponed. To reinforce the pandemic front, clinics even withdrew staff from oncology departments. Our sales of brachytherapy sources to fight cancer suffered significantly.

Fortunately, the shortfalls were compensated by the continued growth in the radiopharmaceuticals business. Active substances for the radioembolisation of liver tumours showed double-digit growth compared to the previous year. This development did not come as a surprise. The clinical data for this form of therapy are becoming increasingly convincing. Recently, the renowned British National Institute for Health and Care Excellence (NICE) also spoke out in favour of the treatment of advanced liver carcinomas with yttrium spheres. Such and similar news not only boosted sales of radiopharmaceuticals, but also the project business. We were able to settle large orders in Asia and Europe and acquire interesting new projects.

The planned withdrawal from marginal businesses, which we initiated in 2017 with the sale of the cyclotron division to Alliance Medical, also helped us with the result. The merger of the former IBt into Eckert & Ziegler AG finally eliminated the expensive anachronism of a listed subsidiary in the following years. This merger was the key to the lucrative sale of the Belgian site, which we completed at the beginning of 2020. Towards the end of the year, we

Dr Andreas Eckert
Chairman of the Executive Board

made further progress in the restructuring by preparing the exit from the tumour radiation equipment business. It was completed in spring 2021, and will again generate earnings contributions for us.

The divestment of the tumour radiation equipment was a necessary step. In the past, the business generated respectable sales in the low double-digit million range, but the growth market for the equipment is in the People's Republic of China. Only with a Chinese owner the business can develop its full potential there. It made sense to put the business in competent hands at a value-based price and to focus more on the fast-growing radiopharmaceuticals business.

The divestment of marginal businesses is thus largely completed. The restructuring, however, continues. At the moment, a large number of radiopharmaceutical substances are in advanced clinical trials. If these are successful, the demand for radiopharmaceutical raw materials and related products and services will grow dramatically. We are preparing for this moment by establishing standardised production facilities in all regions of the world from which we can supply pharmaceutical companies with radiopharmaceutical compounds. Should a site fail, we want to be able to redirect deliveries immediately thanks to standardised manufacturing and certification procedures. Not many competitors can offer such a service.

In Boston, we are essentially cloning our existing European production facilities and investing in equipment that covers the complete process of test batch production, including process development, scaling, filling and packaging in pharmaceutical quality. This will enable us not only to supply clinical trials, but also to shoulder commercial use later on. We are pursuing the same concept in China, where we plan to invest up to 50 million euros in a new production facility. The geopolitical tensions in the region do not leave us untouched, but even if we are heading for a decade "of living dangerously", as former Australian Prime Minister Kevin Rudd put it, we remain true to our international convictions. Thus, we are planting our little apple tree in Jintan and have entered into the appropriate investment agreements to do so. We trust that the advantages in the treatment of tumour diseases, which are becoming more and more apparent with the use of radiopharmaceuticals, will also convince Chinese doctors and health politicians.

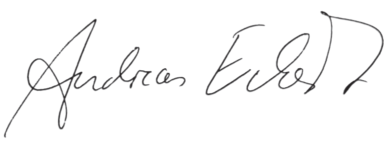
If hopes come true, the development will not only be beneficial for the company, but also for the shareholders. They were still considerably shaken by Corona in March. Compared to the beginning of the year, the quotation almost halved and fell below € 30. In the course of the year, the price recovered. We were able to connect to the pre-crisis level, the trend remained unbroken. Since the realignment in 2017, Eckert & Ziegler AG has thus managed a steady growth in market capitalisation. Not surprisingly,

„At the moment, a large number of radiopharmaceutical substances are in advanced clinical trials. If these are successful, the demand for radiopharmaceutical raw materials and related products and services will grow dramatically."

the company was recently named Germany's best long-term stock market value with dividends on the basis of a five-year analysis (!), ahead of all DAX and M-DAX companies. What is remarkable and gratifying about this assessment is that it was pronounced by the Deutsche Schutzvereinigung für Wertpapierbesitz (DSW), the largest German shareholders' association. It awarded us the top spot in the list of winners even though there was a small drop in the share price at the end of 2020. In the meantime, the setback is now history and the share price has jumped to new records.

The development of the past business year, despite Corona, is encouraging. Perhaps there is a fairy godmother to the story of the curse, who always adds in mitigation: "and may you be among the strong". Then there would be a good chance that Eckert & Ziegler would be even stronger, more agile and more competitive after Corona.

I am sure that such an outcome would also be in your interest.



DR ANDREAS ECKERT
Chairman of the Executive Board

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 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.

6 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.

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 2020, 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 seven Supervisory Board meetings took place during the period under review. The Remuneration Committee convened once 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 was 98% and at the meeting of the Remuneration Committee 100%. The following table shows the individualised participation.

OVERVIEW OF THE MEMBER PARTICIPATION IN SUPERVISORY BOARD AND COMMITTEE MEETINGS FOR THE FISCAL YEAR 2020

	Plenary Sessions of the Supervisory Board			Remuneration Committee		
	Attendance	Meetings	Participation	Attendance	Meetings	Participation
Prof Dr Wolfgang Maennig (Chairman)	6	7	86%	–	–	–
Prof Dr Helmut Grothe (Deputy Chairman)	7	7	100%	–	–	–
Albert Rupprecht	7	7	100%	–	–	–
Dr Edgar Löffler	7	7	100%	1	1	100%
Jutta Ludwig	7	7	100%	–	–	–
Frank Perschmann	7	7	100%	1	1	100%
Total			**98%**			**100%**

Prof Dr Wolfgang Maennig
Chairman of the Supervisory Board

KEY TOPICS ADDRESSED BY THE SUPERVISORY BOARD

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

At the meeting on January 21, 2020, the Executive Board mainly reported on the preliminary key figures for the fiscal year 2020 and the economic situation. 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 meeting on 27 March 2020 was the review of the annual financial statements and the management reports for the Group and the company. The Supervisory Board also approved the proposed resolutions on the remuneration system for the Executive Board and the agenda for the 2020 Annual General Meeting. The Supervisory Board also decided to establish a Remuneration Committee with immediate effect.

The meeting on 10 June 2020 focused primarily on the business figures for the 1st quarter of 2020 and preparations for the Annual General Meeting.

The Supervisory Board meeting on 11 August 2020 mainly discussed the business figures for the 2nd quarter of 2020 and ongoing projects, including the geopolitical expansion strategy in the Medical segment.

The only item on the agenda of the meeting on 18 September 2020 was the discussion and resolution on the sale of shares in the tumour radiation business of Eckert & Ziegler BEBIG to the Chinese company TCL Healthcare Equipment.

The focus of the meeting on 30 October 2020 was the presentation and approval of the budget for the 2021 financial year as well as the presentation of the business figures for the 3rd quarter of 2020. Further topics were the strategic orientation in the Medical and Isotope Products segments as well as the revision of rules of procedure for the Supervisory Board. In addition, a training event on the German Corporate Governance Code 2020 (DCGK) was held and the Declaration of Conformity with the German Corporate Governance Code was approved.

The only item on the agenda of the meeting on 9 December 2020 was the strategic orientation of the Medical segment in the Chinese market.

COMMITTEE ACTIVITIES

In the reporting year, the Supervisory Board had one committee. The Remuneration Committee met once and prepared in particular 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.

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, 2020, the Executive Board and the Supervisory Board issued a new Declaration of Conformity with the German Corporate Governance Code. Additional details regarding Corporate Governance are available in the Group's Corporate Governance Report, which is published on the Group's website in connection with the Declaration on Compliance. In the period under review, there were no conflicts of interest among members of the Supervisory Board.

EFFICIENCY REVIEW

The Supervisory Board regularly evaluates how effective it is as a body as a whole and how its committees perform their duties. A comprehensive review was conducted in September 2020. The results were discussed by the Supervisory Board in October. 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 on the new Corporate Governance Code 2020 was held as a dedicated training event on the topic of corporate governance.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS 2020

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 2020, 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 March 25, 2021 and on April 14, 2021 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 2020.

Berlin, April 2021
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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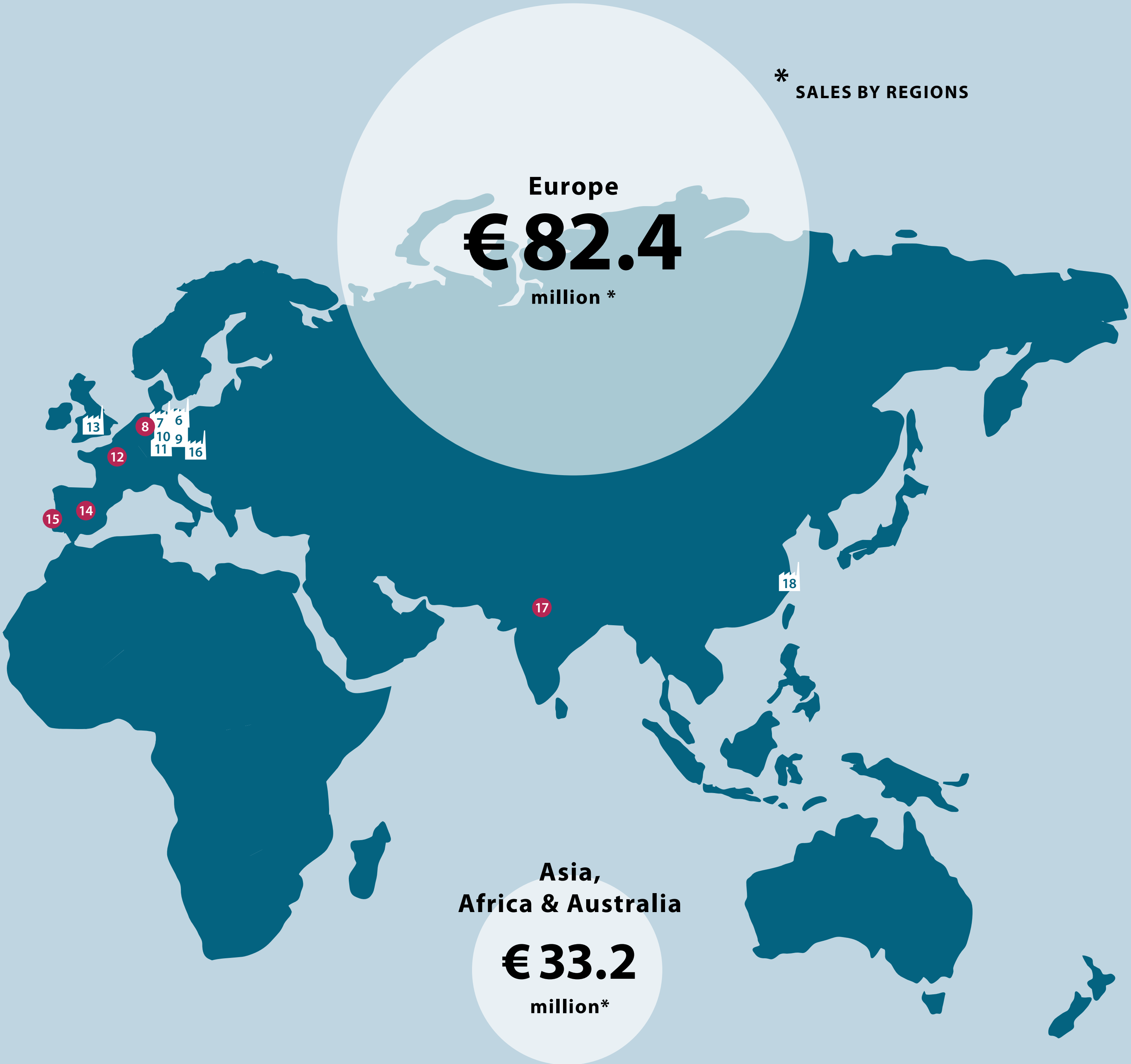
COMPANY

LOCATIONS

NORTH-/SOUTH-AMERICA

1 Los Angeles, Kalifornien, USA
2 Atlanta, Georgia, USA
3 Wilmington, Massachusetts, USA
4 Mount Vernon, New York, USA
5 São Paulo, Brazil



EUROPE

- 6 Berlin, Germany (Headquarters)
- 7 Braunschweig, Germany
- 8 Düsseldorf, Germany
- 9 Dresden, Germany
- 10 Leipzig, Germany
- 11 St. Gangloff, Germany
- 12 Paris, France
- 13 Didcot, Great Britain
- 14 Madrid, Spain
- 15 Lisbon, Portugal
- 16 Prague, Czech Republic

ASIA AND REST OF WORLD

- 17 New Delhi, India
- 18 Jintan, China

production site

distribution site

MILESTONES

US HEALTH AUTHORITIES TO PROVIDE USD 6 MILLION

Berlin-based MYELO Therapeutics, an affiliated company of Eckert & Ziegler, will receive USD 6 million from the National Institutes of Health (NIH) over the next three years for the further development of its radiation protection pill MYELO001.

NEW PRODUCTION FACILITY FOR RADIOPHARMACEUTICALS IN CHINA

A production line for radiopharmaceuticals developed at the Dresden site is being transferred to the joint venture partner Chengdu New Radiomedicine Technology Co. (CNRT), Chengdu, China. The line will be used to manufacture Y-90 based products for hepatocellular carcinomas.

SHARE SPLIT 1:3

By increasing the share capital of Eckert & Ziegler from company funds and by issuing new shares at a ratio of 1:3, trading in the share is to become more liquid and the share even more attractive for investors. The share capital now amounts to € 21,171,932.00.

REORGANIZATION OF PRODUCTION SITES

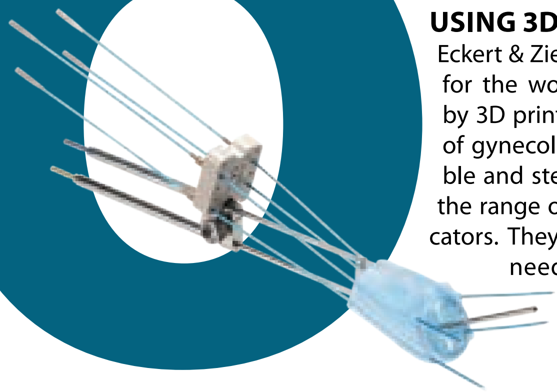
The global network of radiopharmaceutical production sites is reorganized and in this context a Belgian production building in Seneffe is sold. The sale leads to the reversal of previously held disposal provisions of around € 2.7 million.

TUMOR IRRADIATION EQUIPMENT

To strengthen the HDR business worldwide, Eckert & Ziegler and TCL Healthcare Equipment (Shanghai) Co., Ltd. sign a binding letter of intent under which EZAG will transfer its division with the so-called afterloaders (HDR brachytherapy) to a separate company in which TCL will acquire 51% of the shares. The production shall remain in Germany.

APPROVAL FOR GALLIUM-68 GENERATOR FOR CANADA

The Canadian regulatory authority Health Canada has granted marketing approval for the pharmaceutical $^{68}Ge/^{68}Ga$ generator GalliaPharm®. Meanwhile, the generators from Eckert & Ziegler are available in more and more countries. If gallium-based diagnostics become widely accepted in the coming years, Eckert & Ziegler is well prepared as supplier.



CE APPROVAL FOR INNOVATIVE IRRADIATION APPLICATORS USING 3D PRINTING

Eckert & Ziegler BEBIG has received CE approval for the world's first applicators manufactured by 3D printing and designed for the treatment of gynecological tumors. Made of biocompatible and sterile plastic, the attachments extend the range of applications of conventional applicators. They are now also suitable for targeted, needle-assisted brachytherapy using HDR afterloading and can significantly increase the 3-year survival rate of cancer patients.

NEW US-PRODUCTION SITE FOR YTTRIUM-90

Eckert & Ziegler opens a new radiopharmaceutical production facility in the Boston area MA), USA. This facility will initially produce yttrium-90, a short-lived radioisotope which is used, for example, in the treatment of liver cancer.

COMMERCIAL PRODUCTION OF LUTETIUM-177 LAUNCHED

Eckert & Ziegler has developed a new technology for the production of carrier-free lutetium-177. It is based on the irradiation of ytterbium-176 and the subsequent separation of the resulting lutetium-177 in a radiochemical facility. The process has achieved a particularly high degree of purity. Following the successful validation of the production process, commercial production has now started and the first batches of material have been delivered.

CLINICAL DEVELOPMENT OF INNOVATIVE LYMPHOMA TREATMENT

Eckert & Ziegler will financially support the clinical development of two proprietary new radiopharmaceuticals for the diagnosis and treatment of malignant lymphomas. The money will support the production of pharmaceutical grade material for phase-1 trials which have already been prepared by two investigator-lead academic consortia in France and Germany targeting several forms of myeloma and lymphatic leukemia. In addition, the funds will be used for the clinical development of a complementary diagnostic labeled with the radioisotope Gallium-68.

TOP INNOVATOR 2020

ALPORA TOP INNOVATOR 2020

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

TecDAX

Eckert & Ziegler has entered the TecDAX effective as of 8 May 2020. This index, which is measured in terms of market capitalization of the free float and trading volume in the shares, comprises the 30 largest technology stocks in Germany.

TALENTS WANTED

The SPRINTER

» I LIKE CYCLING because it clears my mind for new ideas. Cycling trains speed, endurance and reaction time. These are qualities that I need every day for my challenges in business development.«

Dr Frederick G. Q.
Business Development

The FAMILY MAN

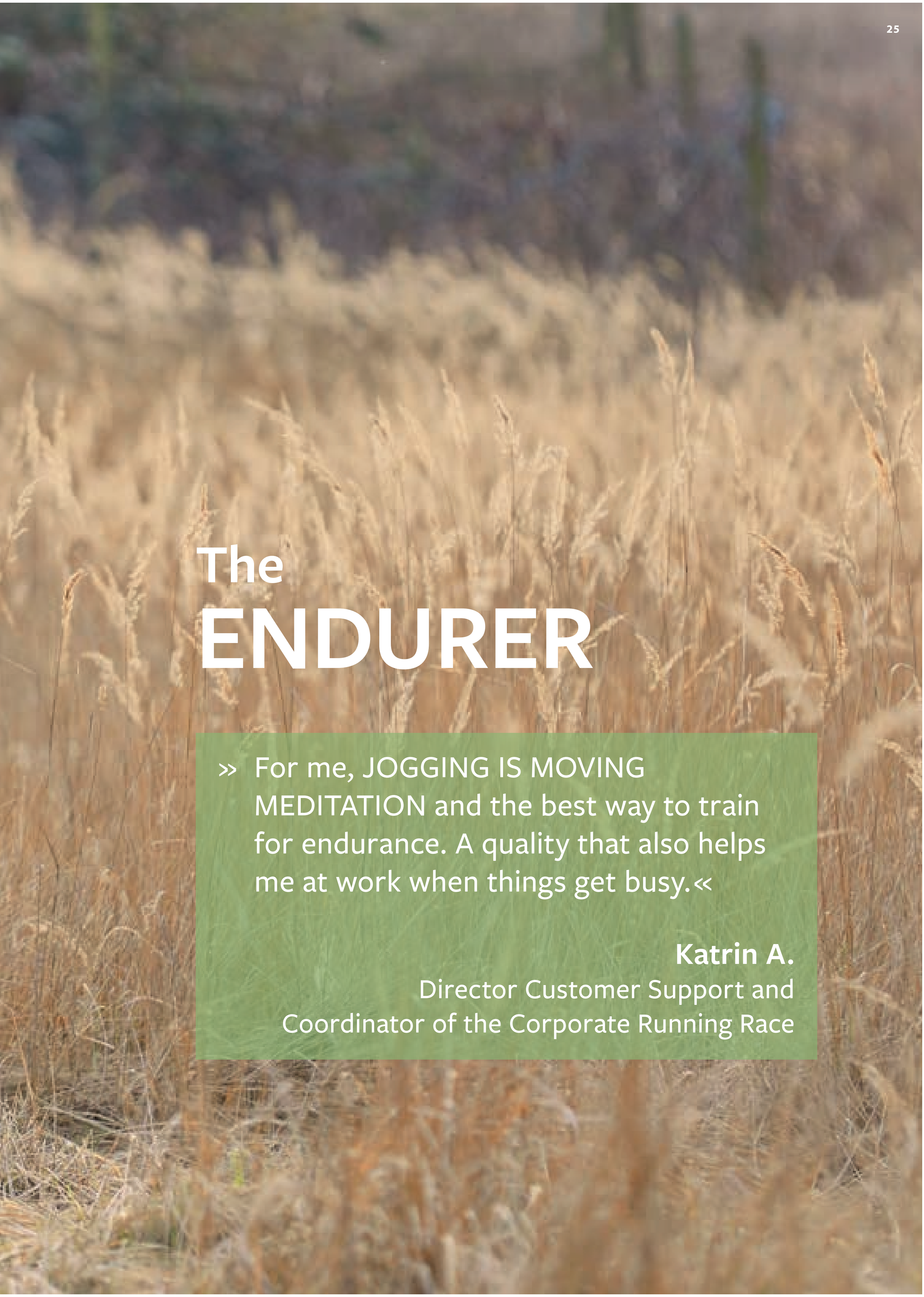
» SPENDING TIME WITH MY CHILDREN is important to me. A good work-life balance gives me inspiration and energy to perform my best at work.«

Philip S.
Team leader for process technology

The Creative

» COOKING IS MY PASSION, especially for friends and family. Sometimes Asian, sometimes vegetarian. But always with the best ingredients. Quality is important to me.«

Simone M.
Quality control employee



The ENDURER

» For me, JOGGING IS MOVING MEDITATION and the best way to train for endurance. A quality that also helps me at work when things get busy.«

Katrin A.
Director Customer Support and
Coordinator of the Corporate Running Race

Tell me,
MR. ECKERT…

6 questions from our apprentices
to the Chairman of the Executive Board


4 | What do you recommend to school graduates?
5 | How did you earn your first money?
6 | Why did you choose the path of self-employment and founded your own company?
...1... Thinking along. What does the counterpart expect? – This is certainly difficult when you start your career, because you often don't yet have a feel for the funny adults. But it gets easier over time and it is worth cultivating this skill.
...2... There are no limitations with regard to origin, formal education, gender or similar. The decisive factors are talent, hard work and courage.
...3... I didn't have a fixed career aspiration, but rather slipped into things. The basis was the willingness to get involved in things, even if it wasn't immediately clear where it would end up. In the past, that would have been called trusting God.
...4... Stay curious. Stay interested. Maintain and develop your learning techniques, because the school of life is never over.
...5... At home, room and board were free, but I financed everything else, such as my driving licence, by helping out at craftsmen or doing some temporary jobs. After graduating from high school, I started an apprenticeship for two years as an industrial clerk, and there I got a apprentice's salary.
...6... Self-employment is a must for those who can endure it.

PRODUCTS

FLOOD SOURCE

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

IRRADIATION DEVICE

Biobeam GM for gamma-irradiation of blood and blood components in transfusion medicine

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.

MEDICAL IMAGING SOURCE

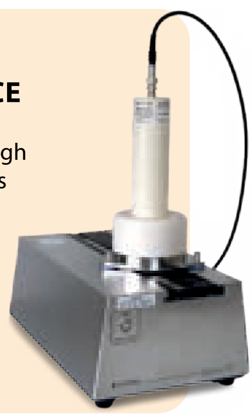
Calibration source used to ensure accurate results in positron emission tomography (PET) scans

OPHTHALMIC APPLICATORS

Ru-106 applicators for treating eye cancer

QUALITY CONTROL DEVICE

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



X-RAY THERAPY DEVICE

X-ray therapy device ioRT-50 for the superficial and intraoperative treatment of tumor diseases

RADIOSYNTHESIS SYSTEM

KitLab: Fully automated device for safe processing of PET kits

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 tumor irradiation equipment, eye applicators and prostate implants are part of the portfolio.

CONTRACT MANUFACTURING

Reliable development and/or execution of manufacturing steps and processes for customers in the pharmaceutical industry and beyond

RADIOPHARMACEUTICAL

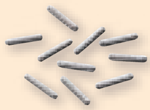
GalliaPharm® is a (^{68}Ge/^{68}Ga) radionuclide generator for radioactive in vitro labelling of various carrier molecules

RADIOISOTOPES

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

RADIOSYNTHESIS SYSTEM

Modular-Lab eazy – the smallest radiosynthesis system on the market



SEEDS

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

PLANT ENGINEERING

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

TUMOR IRRADIATION DEVICE*

SagiNova® tumor irradiation equipment (afterloading): Computer-controlled placement of the radiation source of the afterloader directly into or next to the tumor with the aid of applicators

REFERENCE SOURCES

Reference sources for the calibration and checking of radiation measurement instruments

*belongs to BEBIG Medical GmbH as of 2021

INDUSTRIAL SOURCES

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

THE SHARE

Development of the share

The corona pandemic, which became increasingly apparent from mid-February 2020, weighed on Eckert & Ziegler's share price performance in the first quarter. The publication of a press release on the announcement of a lutetium-177 production marked the starting point for a slight upward movement in mid-March, which intensified from mid-June. After a sideways movement until the end of November, the share started to rise again and closed at € 44.84 on 30 December 2020. Over the year, this corresponds to a slight decline of –6%. Although the share was not able to continue its successful stock market year 2019, it held its ground well in a difficult market environment.

Share split 1:3

In order to make the Eckert & Ziegler share more attractive and thus expand the shareholder base, a 1:3 share split was carried out on 4 August 2020. On this day, shareholders received three additional shares for each share held. The share price adjusted accordingly at a ratio of 1:3.

Earnings per share of € 1.11

In the period under review, the Eckert & Ziegler Group generated consolidated earnings per share of € 1.11. Earnings per share is calculated by dividing the consolidated net income by the average number of shares in the fiscal year.

Dividend of € 0.45

The company intends to continue its ongoing dividend policy of the past years and distribute roughly a third of consolidated net income as dividends. The Executive Board and Supervisory Board will therefore propose to the General Annual Meeting a dividend of € 0.45 per share for the fiscal year 2020. Based on the annual closing price of € 44.84, this works out at a dividend yield of 1%.

Analyst recommendations

Hauck & Aufhäuser and DZ Bank report on Eckert & Ziegler. In the period under review, these institutions published a total of 18 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 June and September, 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.

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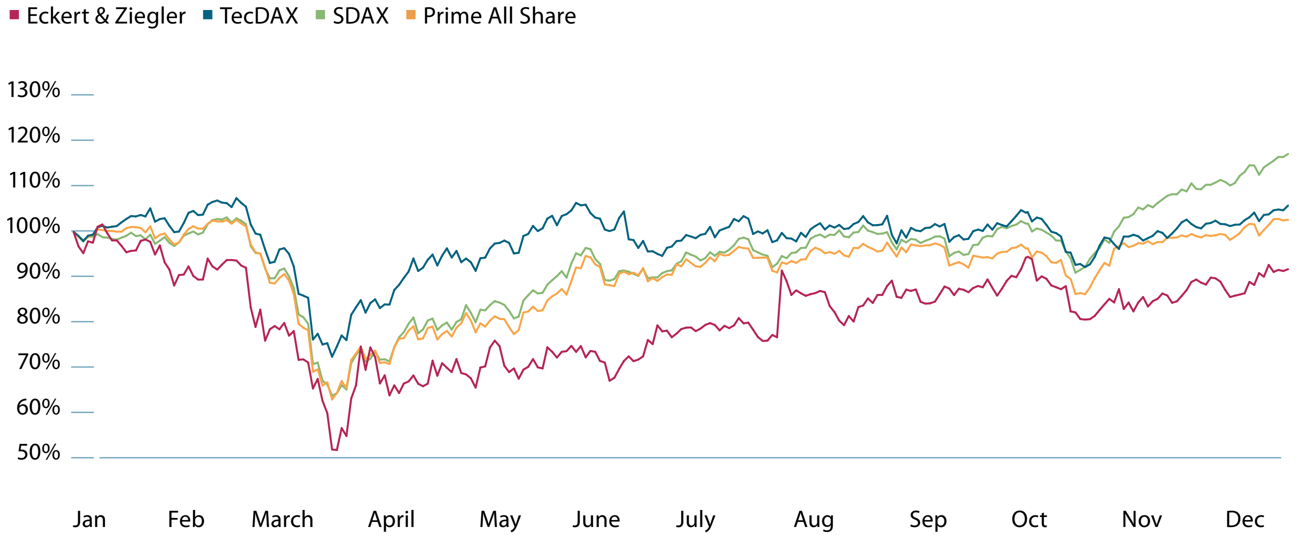
DYNAMIC PERFORMANCE OF THE ECKERT & ZIEGLER SHARE IN 2020 (INDEXED AT 100)



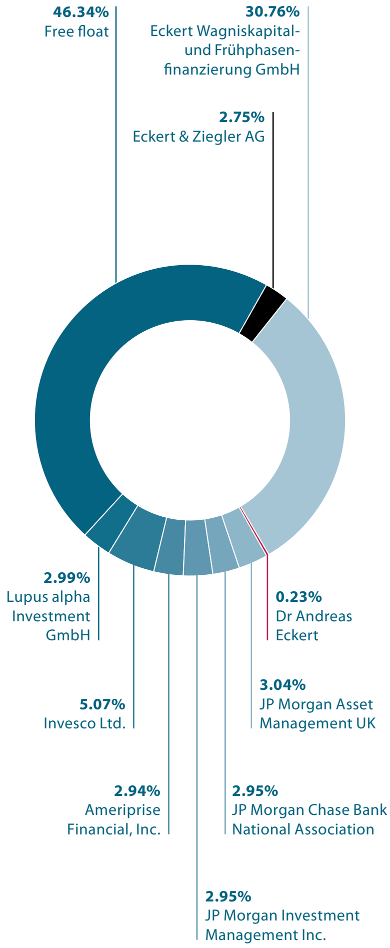
KEY DATA*

		Dec 31, 2019	Dec 31, 2020	in %
Closing price for the financial year**	in €	47.65	44.84	–6
Highest price in the financial year**	in €	50.88	51.00	0
Lowest price in the financial year**	in €	15.50	22.52	+45
Price-Earnings Ratio (PER)	in €	44.00	40	–9
Earnings per share (EPS)	in €	1.07	1.11	+3
Cashflow per share	in €	1.94	1.67	–14
Book value per share	in €	6.80	7.23	+6
Market capitalization	in € million	1,008	949	–6
Average trading volume per day	shares	23,123	99,303	+329

* *The figures for the previous year have been adjusted retrospectively to reflect the share split which was carried out in the 3rd quarter of 2020.*
** *Xetra*

SHAREHOLDERS' STRUCTURE

as of February 3, 2021

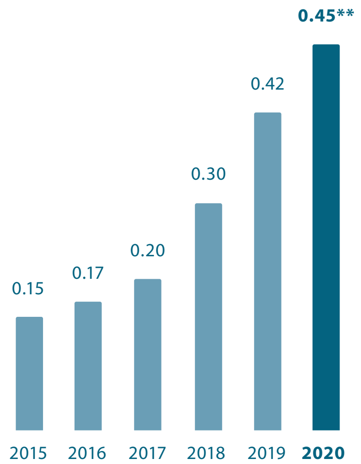


BASIC INFORMATION ON THE ECKERT & ZIEGLER SHARE

ISIN DE0005659700
WKN 565970
Stock exchange sector
Prime Standard,
Frankfurt Stock Exchange
EUZ (Deutsche Börse)
EUZG (Reuters)
EUZ (Bloomberg)
Selection index
TecDax, SDAX
MSCI Germany Small Cap Index
Corporate Action in Reporting period
Stock split 1:3
Number of shares as of 31.12.2020
21,171,932

DIVIDENDS*

in €



* *The figures for previous years have been retrospectively adjusted to the share split which was carried out in the 3rd quarter of 2020.*
** *Proposal to the Annual General Meeting*

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

ENVIRONMENT

Die 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. The guidelines usually stipulate that independent third parties or government authorities should be responsible for monitoring. The quality of the data can therefore be considered to be of high quality. In the period under review, there were no incidents that led to limits 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. The Group headquarters in Berlin-Buch, which we moved into in 2012, is a prime example. The sustainable construction and facilities concept combines a variety of methods: improved insulation standards for the building envelope; district heating generated by combined heat and power; solar water heating for industrial water; solarfed power from a solar-Protecting our employees from workrelated 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/m^2 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.

Energy-efficient corporate headquarters in Berlin-Buch

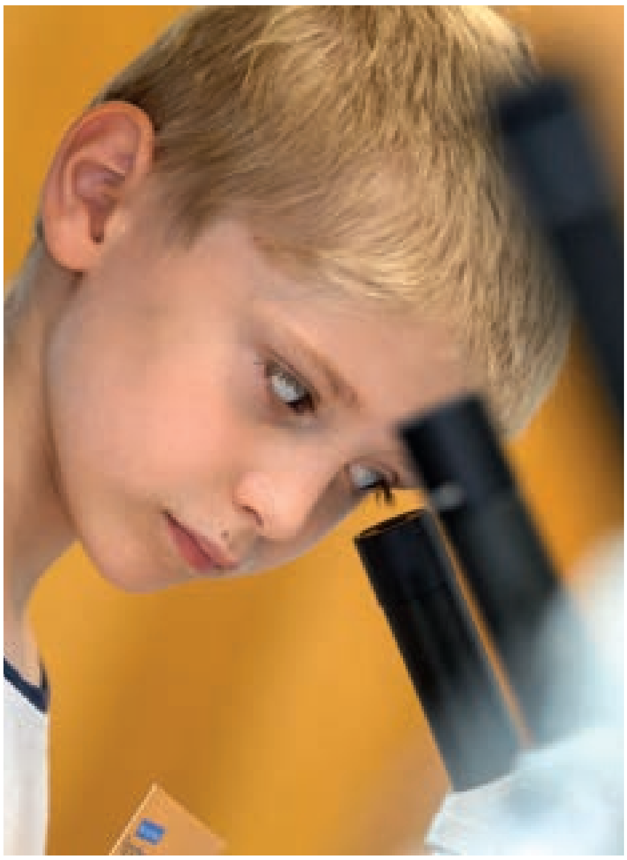
Climate-neutral in any case: radioisotopes

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 programme. Due to Corona, Radiolab courses could not be held all year round in 2020. Despite the restrictions, around 1,400 students participated in the courses during the period under review.

Our foreign subsidiaries are also involved in social projects. Eckert & Ziegler sponsors and donates to a team of American employees who raised approximately USD 22.000 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 6.000 US dollars. We supported this voluntary work and added the donations of the employees. Since 2011, Eckert & Ziegler has 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.

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



TEAMS WORLDWIDE


… to worldwide
18 locations

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 43 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, which 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 (following the combination of the former segments Radiopharma and Radiation Therapy) and Isotope Products, which target different customer groups with their various product groups. The holding company combines services within the Group, such as radiation protection, the legal department, accounting, IT and human resources.

The Isotope Products segment manufactures isotope technology components for imaging techniques, scientific applications, quality assurance and industrial measurement purposes. The segment's headquarters are located in Los Angeles in the US. Other production sites are located in Atlanta in the US, Braunschweig, Dresden and Leipzig in Germany, and Prague in the Czech Republic.

The segment also retrieves, processes and conditions low-level isotope technology waste from hospitals and other facilities.

Through the acquisition of the companies of the Gamma-Service Group in May 2017, it also includes the construction of medical equipment, called blood irradiation equipment, and a company for recycling isotope technology waste and other services. Isotope technology plant engineering, which was also taken over from Gamma Service, was allocated to the newly created Medical segment in the 2020 financial year.

In the Medical segment, the products are targeted at 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 (called "seeds") and eye applications based on ruthenium-106 or iodine-125 for treating uveal melanoma (eye cancer). The tumour irradiation equipment based on cobalt-60 or iridium-192 (called "afterloaders"), which was previously included in the product range, was spun off to a separate company, BEBIG Medical GmbH, in the 2020 financial year. Eckert & Ziegler is discontinuing its business with tumour irradiation equipment (HDR). As a first step, it sold 51% of the interests in BEBIG Medical GmbH to the Chinese company TCL Healthcare Equipment (TCL) in Shanghai in March 2021.

The Medical segment also includes pharmaceutical-quality radioactive ingredients that play a diagnostic or therapeutic role as part of a medication. The most important items include the $^{68}Ge/^{68}Ga$ generator GalliaPharm®, which enables 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.

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 as a strategic development partner for its subsidiaries and 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 and aims to generate revenues by improving efficiency.

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 is based on the business plans for each business division prepared by the respective managing directors together with the Executive Board. Detailed targets are formulated with regard to predefined control parameters and key performance indicators for the individual production and 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.

Segment Controlling 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 fell from € 3.7 million to € 3.1 million in 2020. Development expenses in the Isotope Products segment came in at € 0.3 million, which was at the level of the previous year. In the Medical segment, expenses declined by € 0.6 million to € 2.8 million. This was due to lower expenses for the development of applicators following increased investments in this area in the previous year.

The products, which were included in the portfolio for the first time five years ago, contributed 35% toward revenue, which was almost at the level of the previous year.

The Medical segment was created in 2020. It is home to four business divisions: Radiopharma, Radiation Therapy, Laboratory Equipment and Plant Engineering. This new structure makes it possible for the segment to present itself to customers as a one-stop shop that offers potential customers everything from a single source, from radionuclides to hot cell facilities, including process automation, to quality-control equipment.

The interlocking of the development departments of the business divisions creates synergies. This makes it even easier to implement specific customer requests. For customers' proprietary radiodiagnostics and radiopharmaceuticals, Eckert & Ziegler can offer all developmental steps. This includes, for example, development of the chemical manufacturing process to production of the process module required for this (cassette) up 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

Clean room areas at the Braunschweig location were expanded to be able to offer our customers more opportunities for the contract production of therapeutic medications as part of clinical trials. After many years of joint development, OncoSil received European approval for OncoSil™, a therapeutic for pancreatic cancer.

As a result of rising demand for yttrium-90 for treating hepatocellular carcinoma, the production capacity at the Braunschweig location was expanded for this isotope.

Following intensive development work, pilot production was launched for carrier-free lutetium-177. This enables pharmaceutical companies to use Lu-177 to label their products that are supplied with this radiochemical. Once market approval is obtained, end customers can also be supplied with this sought-after therapeutic nuclide.

A number of collaboration projects were successfully completed at the Berlin location for the development of new radiopharmaceuticals. In the process, data were obtained concerning the radiochemical manufacture of compounds that are needed for clinical trials.

In Wilmington, MA (greater Boston area), a new radiopharmaceutical plant was opened, which plans to manufacture yttrium-90 for our customers in North America. In addition, a GMP suite is to be created there by the end of 2021 in order to create the ability for customers to quickly produce patient doses for clinical trials.

Laboratory Equipment business division

Development services in 2020 included improvements to application software for simplified process programming and development and testing of automated procedures for nuclide labelling of the radiotracers [^{68}Ga]Ga-PentixaFor and [^{68}Ga]Ga-FAPI-46 using the Eckert & Ziegler equipment platforms ML Pharmtracer and ML eazy. The programme for modernising the existing portfolio of TLC and HPLC systems was further implemented. In collaboration with the Israeli company Isotopia Molecular Imaging and another leading company in the area of theranostics, joint technical development steps and testing were undertaken for their PSMA kits in order to be able to use these kits for the imaging prostate diagnostic KitLab following market approval. A technical feasibility study was successfully carried out for a leading pharmaceutical company on the automated labelling of tumour-specific antibodies using the alpha nuclide thorium-227. The process was compiled in a single-use cassette, which uses the ML Pharmtracer platform to enable the GMP manufacture of ingredient batches.

Radiation Therapy business division

In the year under review, work continued on conformity with the new European Medical Device Regulation (MDR). In parallel to this, new applicators manufactured using 3D printing were approved as a medical product in Europe. Approval of the new 3D applicators enabled us to convince existing customers as well as several new customers about their innovative power and thus made it possible to deliver nearly as many tumour irradiation systems in the financial year as in previous years, notwithstanding the pandemic. In particular, the approval of the tumour irradiation system in Russia in mid-2019 led to net income in 2020 that was considerably higher than budgeted.

Plant Engineering business division

In this business division, hot cell facilities for working with radioisotopes in research and medical technology were continuously enhanced. Several facilities for processing beta rays were successfully developed last year, particularly for lutetium-177, and they will go into productive use in the third quarter of 2021. Development projects are currently underway for optimising measurement and control devices in the hot cells, as well as market-focused enhancement of the safety workbench SWB-15. With regard to the UNIFILL dispensing units, the focus of development is on larger dispensing capacities and the dispensing of micro-batches for the research area, both of which are in high demand on the market.

ISOTOPE PRODUCTS SEGMENT

The Isotope Products business division expanded its PET/CT product portfolio with new products for existing customers in the US and the emerging Chinese OEM markets. The xSPECT product line of Siemens was expanded to include a new high-energy calibration source, meaning that the xSPECT source family now consists of a total of six sources. Two other sources were developed for Siemens Symbia, one for General Electric, and two for Reflexion, as well as two shielded containers for United Imaging sources.

A new product was developed for handling inert gases. This unique system makes it possible to create performance testing samples for storage, transport, mixing and calibration in various geometries and activity levels. In order to meet the rising demand for anodizing wide-area reference sources in the US and Chinese markets, a second anodizing production line was established at the production location in Atlanta, Georgia.

An environmentally friendly recycling procedure was developed for recovering Ge-68 from used gallium generators. Ge-68 can then be reused for new calibration sources.

The segment also continues to invest in improving the efficiency and safety of internal production processes, as well as in 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 2020, the Eckert & Ziegler Group posted revenue of € 176.1 million. Year-on-year, revenue fell by € 2.4 million, or 1%. Adjusted for currency effects, revenue rose slightly by € 0.3 million. Due to the weaker USD and BRL, revenue then fell by € 2.7 million.

The revenue decline relates, in particular, to the lucrative components for industrial metrology, Brazilian business, and the disposal services of the Isotope Products segment, and it is mainly a consequence of the global Covid-19 pandemic and the collapse in the price of oil. Revenue in the Isotope Products segment fell sharply by 15% to € 89.6 million. By contrast, the Medical segment benefited from the high demand for pharmaceutical radioisotopes. Sales here rose by € 14.0 million, or 19%, to € 86.6 million.

The Group thus exceeded its revenue target of € 170 million set out in the forecast report for 2020.

Revenue development with external customers in detail

Revenue in the Isotope Products segment fell by € 16.3 million, or 15%. The area of radiation sources for medical quality assurance posted an increase in revenue, whereas the lucrative business units suffered from the consequences of the pandemic or the collapse in the price of oil. In addition, after adjusting for currency effects, revenue fell by € 2.4 million. At € 89.6 million, the Isotope Products segment remains the Group's largest segment in terms of revenue.

In the Medical Segment, revenue rose year-on-year by € 14.0 million, or 19%, to € 86.6 million. Growth driver is the business with radiopharmaceuticals, which posted higher year-on-year revenue. Although the Covid-19 pandemic had an impact on medical care and in some cases led to the postponement of surgeries, the therapy line was able to maintain the revenue level of the previous year.

The Holding segment again generated no external revenue in the 2020 reporting period.

With revenue of € 82.4 million.(previous year: € 83.4 million), Europe remained the most important sales region again in 2020. 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 the Isotope Products segment lost revenue in the US and Europe, it was able to keep it nearly constant in Asia. In the Medical segment, revenue rose particularly in the Europe and Asia regions. By contrast, revenue in the other regions was unchanged.

Germany remained the most important European market with € 30.4 million (previous year: € 28.3 million). The largest single national market for Eckert & Ziegler products in 2020 was once again the United States, where goods worth of € 60.4 million were sold, compared to € 63.1 million in the previous year. These sales are mainly invoiced in USD. Total USD revenue accounted for 35.3% (previous year 47.4%) of consolidated revenue.

2.1.2 Financial performance of the Group

Consolidated net income for the reporting period stood at € 23.1 million, a slight increase of € 0.6 million, or 3%, over the figure for the previous year. The share of net income attributable to shareholders of Eckert & Ziegler AG amounts to € 22.9 million, corresponding to earnings per share of € 1.11.

In this regard, the persistent growth of the Medical segment, particularly through the good operational business of radiopharmaceuticals, compensated for the loss in the gross margin of the Isotope Products segment, meaning that in total there was only a slight decline of € 0.5 million to € 86.5 million. Selling expenses fell by € 1.2 million, or 5.3%, to € 21.7 million, whereas general and administrative expenses rose slightly by € 0.5 million from € 27.6 million in the previous year to currently € 28.1 million. With the increase in other operating income by € 2.9 million, particularly as a result of the sale of the Belgian production site in the second quarter of 2020, net operating income rose year-on-year by € 3.6 million to € 35.2 million.

By contrast, the instability of the Brazilian currency and the strong euro, particularly in the second half of 2020, caused net currency income to fall year-on-year by € 2.3 million, meaning that net income before taxes rose only from € 32.1 million to € 32.7 million. As a result of higher pre-tax net income, expenses for income taxes also rose slightly from € 8.8 million to € 9.6 million. Thus, consolidated net income rose overall in the year under review by € 0.6 million to € 23.1 million.

Of this consolidated net income, € 0.2 million (previous year: € 0.5 million) is attributable to non-controlling interests, meaning that the share of net income for shareholders of Eckert & Ziegler AG rose from € 22.0 million in the previous year to € 22.9 million in the year under review.

The expectations from the forecast report for the year 2020 were thus met despite the global pandemic crisis. In an ad hoc announcement of 24 July 2020, the Executive Board had raised the profit expectation to earnings of € 1.00 per share, which was once again exceeded with the earnings now achieved of € 1.11 per share.

2.1.3 Development of the segments and the holding company

Isotope Products segment

The Isotope Products segment remains the Group's largest segment in terms of revenue.

The segment's main product groups are:

1. Industrial components for metrology
2. Radiation sources for medical quality assurance
3. Calibration and measurement sources
4. Trade in raw isotopes and other products
5. Taking back radiation sources from customers and receiving low-level isotope technology waste, as well as projects relating to conditioning
6. Recycling isotope technology materials
7. Blood irradiation equipment

Eckert & Ziegler has maintained a solid market position in its three most important product groups, with a significant share of global market volume, which in our estimation we were also able to maintain in the reporting period despite the decline in revenue occasioned by the pandemic. Radiation sources for medical quality assurance show growth rates. Some of the other business divisions developed negatively, including as a result of the temporarily low price of oil.

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

In line with expectations, it was not possible to repeat the record sales posted in the industrial sources business for the energy sector in the year just ended. The segment's total income, including with other segments, fell by € 17.4 million, or 16%. This was due to currency losses as a result, on the one hand, of the strong euro in the reporting period and, on the other, the devaluation of the Brazilian real, which particularly affected revenue of the Brazilian subsidiaries and revenue from customers in the USD currency area. The currency loss on this year's revenue in the Isotope Products segment amounts to approximately € 2.4 million. Manufacturing costs likewise fell, resulting in a lower gross margin of € 8.4 million. Selling expenses and administrative costs declined by € 0.7 million and € 1.3 million, respectively. Net other operating income rose by € 1.4 million, primarily as a result of lower additions to disposal provisions. EBIT for the year under review amounted to € 10.7 million, which was € 4.7 million less than in the previous year. Weak business led to a decline in income taxes by € 1.7 million to € 2.4 million. Segment net income stood at € 7.5 million, representing a decline of € 2.8 million.

Medical segment

The segment's main product groups are:
1. Longer-lived radioisotopes for pharmaceutical applications
2. ^{68}Ge/^{68}Ga generator GalliaPharm®
3. Radiosynthesis equipment and consumables
4. Quality control equipment
5. Implants for the treatment of prostate cancer "seeds"
6. "Afterloader" tumour irradiation equipment
7. Therapeutic accessories
8. Ophthalmological products
9. Other therapeutic products and plant engineering

The Medical segment posted net income of € 17.4 million this year. This represents year-on-year growth of € 3.8 million, or 28%. The rise was driven, in particular, by strong demand for radiopharmaceuticals. Revenue growth, including with other segments, of € 14.2 million led to an increase in the gross margin in the same proportion by € 7.3 million to € 46.5 million. Continuous growth is spurring the company to make further investments in production infrastructure and human capital. Total selling expenses and administrative costs were € 1.5 million higher than the level of the previous year. The segment generated one-off income of approximately € 3.0 million from the sale of the Belgian production site. EBIT stood at € 25.2 million, which exceeded the figure for the previous year by € 6.6 million, or 35%. Solid business led to higher tax income of € 7.6 million, corresponding to a tax rate of 30%.

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

Holding company

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. The holding company did not generate any consolidated external revenue in the reporting period. Administrative costs came in at € 7.6 million, which was at the level of the previous year.

Overall, the result in the year under review increased by € 0.3 million to € –2.0 million.

2.1.4 Financial position of the Group

At € 23.1 million, net income for the period before minority interests was € 0.6 million higher than in the previous year.

Despite slightly higher net income for the period, cash flow from operating activities fell by € 3.6 million, or 9%, to € 36.8 million. The decline is mainly related to non-cash income, which was generated, for example, in connection with the release of disposal provisions for the sold Belgian production site.

Cash outflow from investing activities amounted to € 13.3 million in the year under review, whereas the cash outflow in the previous year in this area was merely € 5.7 million. By contrast, investments in non-current assets and intangible assets rose year-on-year from € 7.3 million to € 8.9 million, with € 1.0 million (previous year: € 0 million) being paid for the acquisition of securities. Of the sharp rise in cash outflows from investing activities, € 4.4 million is attributable to expenditures for the acquisition of interests in companies consolidated at equity, compared with cash inflows from participations in the amount of € 1.5 million. In addition, loans totalling € 0.7 million were made in the year under review, whereas in 2019, € 2.5 million was collected from the repayment of granted loans.

Cash outflow from financing activities rose by € 2.5 million to € 13.0 million. The year-on-year increase is mainly attributable to higher cash outflows in connection with the payment of dividends to shareholders of Eckert & Ziegler AG. The Annual General Meeting held in June 2020 resolved to increase the dividend to € 0.42 per share (after adjustment for splits). Therefore, the cash outflow for the dividend payment rose from € 6.2 million in the previous year to € 8.8 million in the year under review. As in the previous year, there were no transactions involving treasury shares in 2020.

In addition, the strong euro (particularly in relation to the USD) led to a currency-related decline in cash and cash equivalents by € 1.9 million.

As at 31 December 2020, cash and cash equivalents amounted to € 87.5 million. Compared with year-end 2019, this represents an increase of € 8.6 million. Accordingly, the company continues to be optimally positioned for future projects, also in light of non-existent bank debt.

2.1.5 Net assets of the Group

Total assets as at 31 December 2020 increased by € 17.8 million, or 6%, and now amount to € 292.0 million (previous year: € 274.2 million). On the assets side, goodwill fell by € 9.6 million, primarily as a result of the reclassification of assets held for sale and disposal groups in the amount of € 8.0 million, which are recognised in current assets. Other intangible assets fell by € 0.9 million as a result of scheduled amortisation. Non-current assets fell by € 2.0 million, whereas right-of-use assets under IFRS 16 increased by € 0.3 million and thus amounted to € 19.8 million. Interests in participations measured at equity increased by € 3.3 million. In addition, deferred tax assets fell by € 1.0 million. In total, non-current assets declined by € 8.4 million to € 119.2 million.

By contrast, current assets rose sharply by € 26.2 million to € 172.8 million (previous year: € 146.7 million). Compared with year-end 2019, cash and cash equivalents increased by € 8.6 million and amounted to € 87.5 million (for details, see also the section “Liquidity”). Trade receivables declined by € 1.3 million, whereas inventories increased by € 2.4 million. Other assets rose by € 1.1 million, mainly as a result of granted loans. Income tax receivables increased by € 0.3 million as a result of higher advance payments made. In connection with the sale of the HDR business, € 14.0 million of assets held for sale and disposal groups are recognised separately in current assets.

On the liabilities side, non-current liabilities rose by € 2.8 million to € 94.0 million. This was due to the assumption of restoration and disposal obligations in exchange for payment. Provisions for pensions increased by € 1.0 million to € 14.4 million. By contrast, deferred income from grants declined by € 2.4 million.

Current liabilities rose by € 5.5 million to € 49.1 million. Trade payables increased by € 0.5 million. In particular, income tax liabilities and other current liabilities increased by € 1.2 million and € 2.9 million, respectively. By contrast, current lease liabilities (IFRS 16) and current provisions fell by € 0.1 million and € 1.1 million, respectively. Liabilities directly related to assets held for sale in the HDR business amounted to € 3.3 million.

Equity rose by a total of € 9.5 million to € 148.9 million. By resolution adopted by the Annual General Meeting held on 10 June 2020, share capital of € 5,292,983 was increased by € 15,878,949 from company funds to € 21,171,932. The capital increase was effected through conversion of a portion of other retained earnings in share capital amounting to € 15,878,949 recognised in the company’s annual balance sheet as at 31 December 2019 in exchange for the issuance of 15,878,949 new no-par-value bearer shares (“Free Shares”). Despite strong consolidated net income of € 23.1 million, retained earnings fell by a total of € 1.7 million, since in addition to the conducted capital increase, the distribution of the dividend in the amount of € 8.8 million reduced retained earnings accordingly. Other reserves, which also include unrealised actuarial gains or losses in addition to translation differences on the equity of subsidiaries reporting in foreign currencies, fell by € 4.9 million to € -5.7 million. Capital reserves declined by € 0.4 million to € 54.2 million. The item “Treasury shares” remained unchanged year-on-year at € 5.5 million.

The equity ratio also remained virtually unchanged year-on-year and continues to be 51%.

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 2020 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 2020 financial year, Eckert & Ziegler AG received profit of € 17.4 million (previous year: € 18.9 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

Compared with the previous year, the total assets of Eckert & Ziegler AG rose only insignificantly by € 1.6 million to € 107.1 million. In addition to net profit in the amount of € 17.4 million, the rise in total assets mainly reflects declines from distributed dividends and with respect to provisions.

The following material changes occurred in the financial year 2020.

Amounts owed by affiliated companies rose significantly by € 5.8 million to € 22.9 million compared with € 17.1 million in the previous year, mainly due to the receivable arising from the profit and loss transfer agreement with Eckert & Ziegler Radiopharma GmbH.

Bank balances fell by € 1.1 million to € 4.7 million.

Equity amounts to € 102.8 million and thus rose year-on-year by € 8.7 million. The increase is the result of net profit in the amount of € 17.4 million that was generated in the financial year. On the other hand, equity decreased in the amount of € 8.8 million for the dividend distributed in the financial year.

Provisions fell by € 6.5 million to € 3.5 million. The sharp decline in provisions is essentially based on the release of disposal provisions for the Belgian production site in the amount of € 4.3 million and the decline in tax provisions in the amount of € 2.8 million.

The reduction in liabilities from € 1.3 million in the previous year to currently € 0.6 million is mainly the result of the decline in liabilities to affiliated companies.

The company was granted credit lines of € 3.0 million, of which € 2.7 million was available as at the balance sheet date.

Overall, the Executive Board continues to rate the company's economic position as very good. The equity ratio was 96%.

2.3 EMPLOYEES

As at 31 December 2020, Eckert & Ziegler employed a total of 828 people across the Group (previous year: 825). The number of employees thus increased by three 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 796 to 799.

Eckert & Ziegler Strahlen- und Medizintechnik AG had 47 employees on average, or two employees more than in the previous year.

At 13%, 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 14%, which is in line with the general trend. However, it is still far below the average fluctuation rate in Germany, which was around 32.4% in 2017. 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 35- to 39-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%).

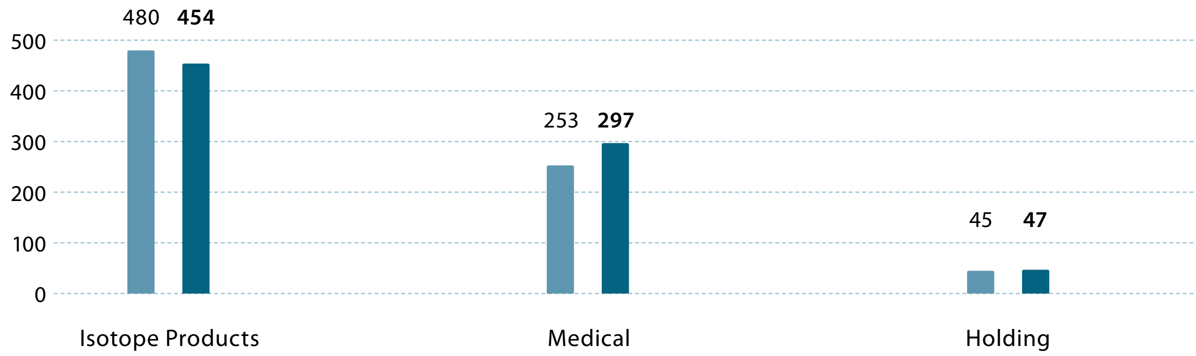
On the same date, the Supervisory Board resolved on a quota for the Supervisory Board of 1/6 (corresponding to approximately 17%) . The deadline for reaching the target figure was set at 30 June 2022. The company's Supervisory Board currently has one female member.

Target figures at senior management levels

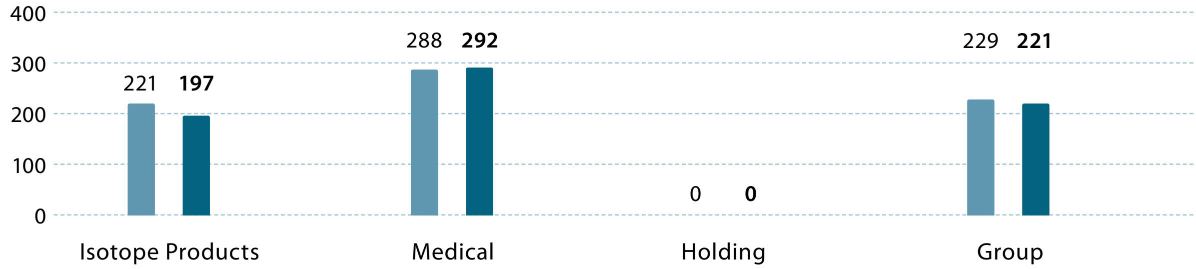
Since the Executive Board also does not seek to change the composition of senior management levels below the Executive Board in a way that is not based purely on personal and professional qualification for the office, the Executive Board further decided on 23 August 2017 not to establish a numerical 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 2020, the percentage of women at the first and second level of management below the Executive Board was 67% and 43%, 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 around 800 employees, and particularly at the second management level, the situation is similar.

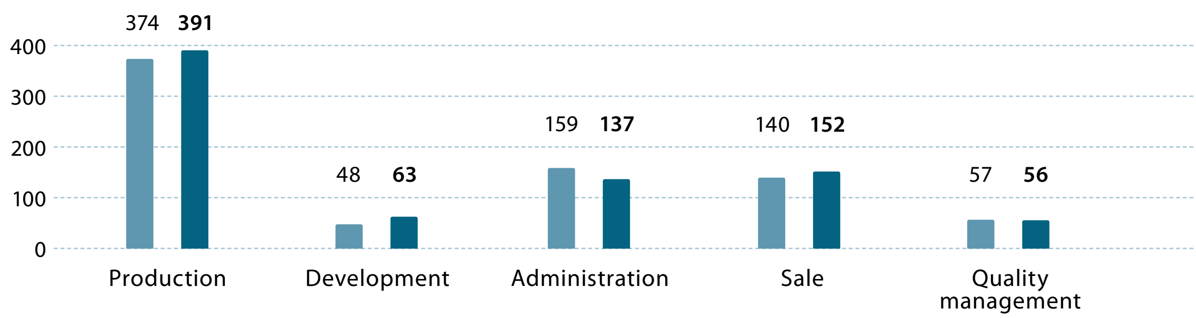
AVERAGE NUMBER OF EMPLOYEES BY SEGMENT



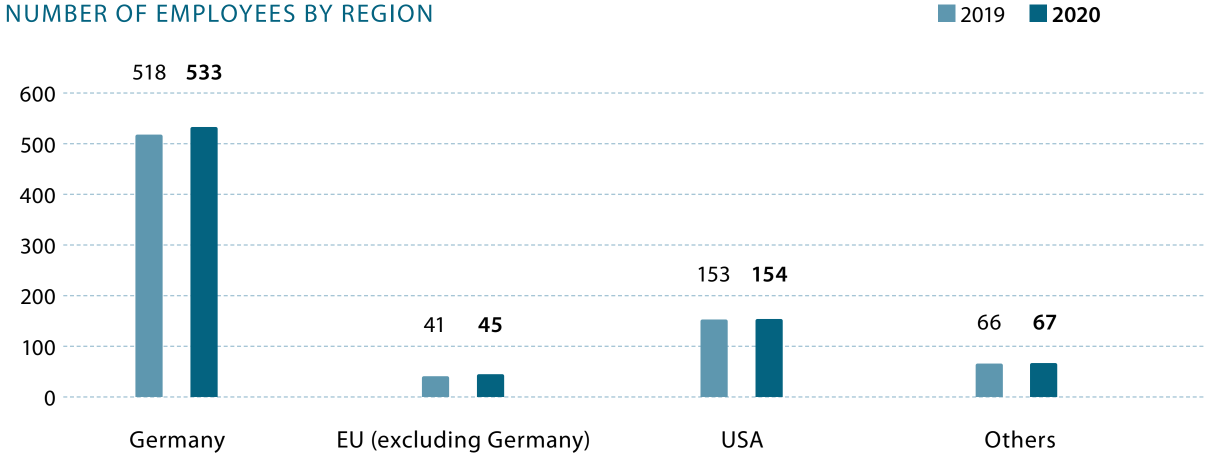
REVENUE PER EMPLOYEE € THOUSAND



NUMBER OF EMPLOYEES BY DEPARTMENT



NUMBER OF EMPLOYEES BY REGION



Personnel expenses amounted to € 58.9 million in the year under review (previous year: € 56.2 million). This translates into average personnel expenses of around € 73.8 thousand per employee in 2020, compared with around € 72.1 thousand in the previous year. The slight increase in personnel expenses per employee is mainly due to the hiring of staff in preparation for the production expansions in the Medical segment.

2.4 OVERALL STATEMENT CONCERNING THE ECONOMIC POSITION

The year 2020 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 € 1.11. 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 2020.

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 further improvement in the balance sheet ratios. The equity ratio, the return on equity, the debt repayment period and similar performance indicators have always been well above the average for German listed companies. In 2020 the room to manoeuvre increased further. The Group is debt-free, and even after accounting for lease liabilities of € 19.8 million in accordance with IFRS 16, it 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 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 financial risks, legal risks, IT risks and risks of the internal control system, personnel risks, general risks arising from the production and from handling radioactivity, general commercial and strategic risks 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 EBIT 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 to 5 million
3-High	50 to 90%	€ 5 to 10 million
4-Very high	More than 90%	over € 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**
Global economic activity is slowing down, since millions of people practice social distancing in order to stem the spread of Covid-19 (coronavirus). As a result, companies are currently either confronted with or expect 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 and further development as a going concern. Despite the burden caused by the pandemic, the cash and cash equivalents of Eckert & Ziegler increased by € 8.6 million to € 87.5 million. As at year-end, net liquidity amounted to € 66.9 million.[1] The Group thus believes that it is in a position to meet all payment obligations, even if a slight increase in the leverage ratio should become necessary in the upcoming financial years in order to be able to overcome the turbulence caused by the pandemic, as well as to secure growth through further acquisitions and finance the development of new products.

Eckert & Ziegler is nearly debt-free. Each of the loan offer simulations of the various credit institutions in the 2020 project funnel had attractive terms attached to them. The primary reason for the ability to be able to refinance on favourable terms where necessary is the Group's good credit rating. The Executive Board believes that 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. Thanks to its strong equity position, the company was able to implement a stock buyback programme in 2020.

Risks from contingent liabilities

Probability of occurrence: **low**/Intensity: **low**
Guarantees and sureties were provided in favour of subsidiaries. As at 31 December 2020, Eckert & Ziegler AG had pledged credit and guarantee lines in the amount of € 3,000 thousand, of which € 326 thousand had been drawn down for two guarantees. However, no claims under the guarantees are expected. The Executive Board ensures to the greatest extent possible that the risks from granting loans or guarantees remains limited to a justifiable extent in relation to the Group's total assets.

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.

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[1] *Corresponds to the difference between long-term loans and leasing liabilities and cash and cash equivalents.*

Default risks for customer receivables

Probability of occurrence: **low**/Intensity: **high**
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 generally 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 interests 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. A liquidity risk is not associated with a possibly lower valuation of the financial assets mentioned.

3.3 POLITICAL RISKS

Probability of occurrence: **low**/Intensity: **medium**
The Eckert & Ziegler Group includes two UK-based companies, each with significant operations in this region. BREXIT did not have any significant effects on these economically relatively independent companies as well as the Group as a whole.

3.4 LEGAL RISKS

Probability of occurrence: **low**/Intensity: **medium**
The Group companies are exposed to legal risks arising from legal disputes or governmental or official proceedings in which they are 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 that 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. Protective measures include regular backups, antivirus 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 training employees, making mobile working available for all employee where possible and sensible, flexible working time offers in order, for example, to cover for care situations, the examination 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 to implement any changes, orders and documentation requirements in a timely manner. Other authorisations, which are also mandatory for the business, are complied with and the relevant regulations and measures are introduced on time. While Eckert & Ziegler works closely with the approval authorities and also uses the help of local partners in regulatory matters, there is a risk that it may not be possible to implement certain requirements within the specified time limit. Eckert & Ziegler relies on options for the disposal of isotope technology waste, which is created when taking back sources or during production. A closure or delayed opening of disposal facilities can lead to significant increases in costs. Efforts are made to reduce the impact of this risk to the greatest extent possible through internal recycling. However, this uncertainty cannot be completely eliminated.

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

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

3.9 MARKET RISKS AND STRATEGIC RISKS

Probability of occurrence: **high**/Intensity: **low**
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 in the customer and market structures. This diversification generally reduces the risk that competitors will undermine the company's business foundation with new and better products. Nevertheless, it cannot be ruled out that improved processes and efforts by competitors might cause the loss of important markets, thereby jeopardising the company.

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

In the medical divisions, the economic success of Eckert & Ziegler's products depends on cost reimbursement for the respective applications. A reduction or elimination of cost reimbursement would have dire consequences for 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.

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: **high**/Intensity: **medium**
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 five largest customers account for around 30% of operating revenue. In 2020, this was mainly due to the very healthy order pipeline in the radiopharmaceutical sector. This revenue performance is expected to be repeated in 2021, 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. At the same time, successfully completed development projects offer opportunities for disproportional organic growth.

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 of the global pandemic and its historical consequences for the world economy. As a result of the Covid-19 pandemic, there continues to be a risk of business interruption or closure through proven infections or general orders. In most countries, business prohibitions are currently limited to retail and high-traffic services. 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 remains a material risk. If supply chains were to collapse, for instance due to suspension of international air traffic for several weeks, the situation would likewise be critical. Based on experiences in 2020, we expect that it will remain a challenge for us to procure raw materials and supply customers, but we do not believe that this will lead to revenue losses across the board.

Eckert & Ziegler is discontinuing its business with tumour irradiation equipment (HDR). As a first step, it sold 51% of the interests in BEBIG Medical GmbH, to which it had spun off the HDR business, to the Chinese company TCL Healthcare Equipment (TCL) in Shanghai. With the spin-off of the HDR business, the majority of research and development risks are in the Therapy business division.

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 advantage of this trend 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 Ga-68 generator, yttrium-90 (Y-90) and lutetium-177 (Lu-177).

The Group's revenue growth, record-level net liquidity of more than €60 million despite the coronavirus pandemic, and inclusion in the TecDAX are proof that the strategy of the Executive Board implemented in previous years is working. 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 (for example Pentixapharm, Myelo) and investing in a production site for radioisotopes in China. The purchase of companies and/or participations also serves the purpose of opening up new business areas for the Group. A successful development project 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 shares and competitiveness and lead to a considerable increase in income.

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 generally 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, which is set centrally by the Group accounting department. The schedule defines all important activities and deadlines.
- The Group accounting system is organised centrally. The involvement of external service providers in the closing process is generally limited to tax calculations for subsidiaries abroad. In a few exceptional cases, financial statements of the subsidiaries are prepared externally.
- The subsidiaries coordinate with the Group's headquarters on the accounting 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 which are completed by the respective accounting departments for the monthly, quarterly and annual financial statements.
- The accounting information of all subsidiaries flows to the segments' controlling department, where it is monitored. Deviation analyses are carried out, and discrepancies in terms of compliance with financial statement-relevant Group guidelines are examined and discussed with the respective subsidiary; if necessary, they are reported to the Group accounting department.
- Initial internal 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. OUTLOOK

4.1 COMPARISON WITH THE PREVIOUS YEAR

Forecasts for the 2020 financial year prepared in March 2020 had put revenue at € 170 million, with EBIT of € 25.0 million and consolidated profit at € 18 million. At the beginning of the third quarter of 2020, the forecasts were adjusted, stating that consolidated profit was expected to reach € 21.2 million, or € 1.00 per share. With revenue of € 176.1 million, EBIT of € 33.7 million, and consolidated profit of € 22.9 million, or € 1.11 per share, the Group exceeded these targets.

4.2 SITUATION AT THE BEGINNING OF 2021 AND FORECAST FOR THE YEAR

Following the massive economic collapses as a result of the coronavirus pandemic in 2020, most forecasts now assume that national economies will quickly recover worldwide and return to the pre-crisis level once mass vaccinations stem the spread of the virus. Some are optimistic that the return can be achieved in 2021. They point to the massive economic growth in China and similar developments in the United States, where the recovery may occur in the summer, they say. Owing to the backlog in consumer demand, many expect that the overcoming of the pandemic will be associated with increased inflation. This could 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. In the view of the Executive Board, there is no risk of this in the short term.

As a provider of medical products, Eckert & Ziegler has traditionally been affected by economic fluctuations to only a minor extent. Healthcare demand has tended to be characterised more by demographic and structural factors than by general economic factors. The coronavirus has changed the situation in that new priorities that are being set by hospitals have resulted in the reduction of capacities in oncology departments in favour of intensive care units. This has had an impact on the demand for cancer treatment products. Thus, the economic development of Eckert & Ziegler in the 2021 financial year and beyond will crucially depend on the further course of the coronavirus pandemic.

In the spring, the coronavirus pandemic led to a third wave of infections, triggering a further round of restrictions in Western industrialised countries, which are the Group's most important markets. Although, as with earlier restrictions, it did not directly affect Eckert & Ziegler as an organisation, the indirect consequences that resulted from the deferral of demand and the impact of the lockdowns and travel restrictions limited the Group's room to manoeuvre. In addition, it cannot be ruled out that coronavirus infection will in future affect the departments of Eckert & Ziegler, leading to temporary forced closures of individual 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.

If supply chains were to collapse, for instance due to suspension of international air traffic for several weeks, the situation would likewise be critical. As a general rule, radioactive raw materials and products cannot be stored for long periods but rather need to be processed and delivered in a timely manner. Here as well, based on the experiences in 2020, the Executive Board is optimistic that supply chains will remain intact even in the event that the restrictions are tightened. However, such events, let alone potential developments relating to the coronavirus, cannot be forecast with certainty.

Setting aside these limitations, the prospects for 2021 are not bad. With regard to industrial products, we expect a return to former profitability, but at least income growth, following the pandemic-related upheavals of the previous year. Moreover, the Isotope Products segment expects to improve the cost basis, since the completed integration in the recycling area will eliminate the need to create further provisions for contaminated sites. In the Medical segment, project business already had a high order backlog at the start of the year. Pharmaceutical companies continue to be interested in radiopharmaceuticals. The demand for qualified services and assistance in connection with the development and construction of production facilities remains high. Capacities in plant engineering are also well utilised through internal orders for the new location in the US.

With regard to substances for radioembolisation, we likewise expect substantial growth compared with the previous year. The clinical data for this form of therapeutics are more and more persuasive. Recently, the treatment of advance liver carcinomas with yttrium spheres was recognised as a fully reimbursable procedure by the British National Institute for Health and Care Excellence (NICE). Moreover, important partners emerged in Asia in 2020 in the approval process. The introduction of radioembolisers on the Chinese market is getting closer. This will be accompanied by increased demand for yttrium-90, which in some areas might be seen in revenue growth in 2021. The same applies to the area of precision oncology and theranostics. Here, we expect the announced market approvals of new products to provide momentum for our pharmaceutical radiodiagnostics, specifically the gallium generator GalliaPharm®. In the medium term, the approval of theranostic products for the treatment of prostate carcinomas would massively invigorate our business, not only for radiodiagnostics but also for the therapeutically-effective lutetium-177, which Eckert & Ziegler is now offering.

Finally, results for 2021 will be aided by the withdrawal from peripheral business areas, which we initiated in 2017 with the sale of the cyclotron division to Alliance Medical, and the simplification of Group structures in the following year. In the 2020 financial year, the lucrative sale of the Belgian production site enabled us to reap the initial rewards from this restructuring. In 2021, we expect a similar contribution to earnings from the sale of our business with tumour irradiation equipment, which we were able to finalise in March 2021.

In all, these developments make us optimistic that we will post net profit of about € 29 million in 2021, which will would even exceed the record result for the previous financial year, with a revenue level of nearly € 180 million.

This estimation is of course subject to the significant proviso that Eckert & Ziegler does not suffer any further upheavals from the 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 1.15 per euro and thus not far above the previous year's figure of USD 1.12 per euro. At the time that the consolidated financial statements were prepared, the exchange rate stood at about USD 1.20.

4.3 FUTURE BUSINESS DEVELOPMENT IN THE ISOTOPE PRODUCTS SEGMENT

In recent years, the Isotope Products segment has been characterised by very stable revenue and earnings with limited organic growth. The year 2020 was challenging for the segment, with revenue falling by more than € 10 million. Following the crisis, the prices for Brent crude oil are now recovering. In February 2021, they stood at about USD 62 per barrel (/b) and thus $8/b above the average for January. According to the short-term energy forecast published by the U.S. Information Administration (EIA) on 9 March 2021, prices will rise in March and April to an average of USD 65 to USD 70/b and then fall in the second half of 2021 to an average of USD 58/b.[2] In February 2021, prices rose to USD 62/b, which is attributable to the rising demand for oil, since the Covid-19 vaccination rates have increased and economic activity has accelerated. As a result, we expect revenue from metrological components to recover compared with previous year. As long as the price of oil remain above USD 40 per barrel, then based on our knowledge at the end of March 2021, we expect to be able to generate revenue in 2021 of approximately € 100 million in the Isotope Products segment.

[2] *U.S. Energy Information Administration. "Short-Term Energy Outlook." https://www.eia.gov/outlooks/steo/. Accessed March 10, 2021*

4.4 FUTURE BUSINESS DEVELOPMENT IN THE MEDICAL SEGMENT

On 1 January 2020, the Radiation Therapy and Radiopharma segments were combined to form a new Medical segment. This made it possible to achieve synergies and efficiency increases. The interest of pharmaceutical companies in radiopharmaceuticals is unabated, and we continue to believe that the demand for radiopharmaceutical active ingredients will increase in the coming periods resulting in above-average organic growth in revenue and earnings both demand and production capacities are available. However, the expansion could continue to be inhibited by the coronavirus pandemic. This affects mainly the traditional business beyond radiopharmaceuticals and business with hospitals and research institutions. Bowing to political demands, hospitals around the world are shifting their resources from oncology departments to intensive care units. As a result, surgeries are being postponed or cancelled for prostate patients. Because of travel restrictions, Eckert & Ziegler will again be unable to invoice for maintenance to the customary extent. Travel and transport are much more difficult to arrange, and it can be expected that some deliveries will fail. Services for the development and construction of production facilities remain high. The Medical segment is discontinuing its business with tumour irradiation equipment (HDR). As a first step, it sold 51% of the interests in BEBIG Medical GmbH, to which it had spun off the HDR business, to the Chinese company TCL Healthcare Equipment (TCL) in Shanghai on 24 March 2021. In 2019, the spun-off HDR business generated revenue of about € 11 million. Therefore, we forecast revenue of approximately € 80 million for 2021.

4.5 FUTURE BUSINESS DEVELOPMENT IN THE GROUP

As a result of the outbreak of Covid-19 and the global economic effects of the pandemic, 2020 was an extraordinary year for all companies. Nevertheless, the earnings per share of Eckert & Ziegler amounted to € 1.11, adjusted for splits. In view of the development of the segments, the company is optimistic about 2021 and even expects to exceed the record result for the previous financial year with net profit of about € 29 million, with revenue of nearly € 180 million. The forecast is based on a weighted exchange rate of USD 1.15 per euro and the assumption that Eckert & Ziegler will not suffer any further upheavals from the coronavirus pandemic.

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

The holding company itself is expected to generate revenue of € 7 million in 2021, representing an increase of € 1 million, due to higher income from services. The holding company is expected to post an operating loss before interest and taxes (EBIT) of € 3 million. This will be counterbalanced by dividend income and profit transfers of around € 15 million, and the forecast net profit for the 2021 financial year should be around € 12 million and enable a stable dividend distribution to be made to shareholders.

5. OTHER DISCLOSURES

5.1 NON-FINANCIAL REPORTING

Eckert & Ziegler is committed to sustainably aligning its corporate activities with a balanced relationship between economic, social and ecological 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*.

5.2 REMUNERATION REPORT

5.2.1 Main features of the remuneration system

The Executive Board remuneration structure is oriented toward providing an incentive for long-term successful company development. A key aspect of the remuneration policy is that it sets out both fixed remuneration components and variable remuneration components with a multi-year assessment basis. This combination ensures that remuneration of members of the Executive Board adequately reflects both positive and negative performance.

The area of responsibility and the individual performance of the respective members of the Executive Board are of particular importance when it comes to determining total remuneration and the split between various remuneration components. Furthermore, the financial position, success and future outlook of the company are also included in this evaluation. Ultimately, remuneration should also be attractive and appropriate compared with the customary remuneration at competitors and within the context of the remuneration structure at Eckert & Ziegler, with regard to both the upper management level and the workforce. For establishing a suitable comparison group for evaluating whether the specific total remuneration is customary in comparison to other companies, the Supervisory Board uses companies that are listed in the same exchange segment (Prime Standard) and that have similar total assets and a comparable EBIT.

The Supervisory Board determines the total remuneration of the individual members of the Executive Board as well as the remuneration structure for a period of several years and performs regular reviews. The aim is a remuneration structure that is geared towards sustainable company development. In accordance with the German Act on the Appropriateness of Management Board Remuneration (VorstAG), the contracts with members of the Executive Board were amended with effect from the 2011 financial year, establishing a multi-year assessment basis for calculating variable remuneration components and limits. Moreover, an option was introduced to limit Executive Board remuneration to a reasonable amount if and for as long as the economic situation of the company deteriorates. Fixed remuneration components are paid monthly as salary on a pro-rata basis. The members of the Executive Board also receive additional benefits in kind, which essentially consist of use of a company car, a telephone and insurance premiums. As a rule, these are equally available to all members of the Executive Board. The extent of fringe benefits, however, may vary depending on the individual member's situation. As part of the overall remuneration of the members of the Executive Board, these benefits are subject to taxes.

Profit-sharing bonuses are variable remuneration components and are usually measured on a multi-year basis. This is based on a percentage of cumulative EBIT or net profit generated in the direct area of responsibility, observed over a defined period of multiple years. Partial payments are made annually after approval of the annual financial statements; final settlement is made at the end of the defined period. It is also possible to agree on variable remuneration elements that are based only on an annual evaluation of successes and thus either on the achievement of specific targets or on a percentage share of annual profit. The variable components are subject to upper limits in terms of amount.

No severance payments have been agreed on in the event of premature or regular termination of a member's term on the Executive Board. Non-competition clauses were agreed for two members of the Executive Board, which provide for a portion of the fixed salary to be paid over a certain period of time as compensation for being bound by the non-competition obligation in the sector. There are no pension commitments in the event of a member leaving the company. However, the company granted occupational pension benefits to two active members of the Executive Board in the year under review in the form of a reinsured support fund, which is financed by deferred compensation.

Since 10 June 2020, members of the Supervisory Board have received fixed annual remuneration of € 18,000 (until 9 June 2020, € 12,000). The Chairman receives fixed annual remuneration of € 36,000 and the Deputy Chairman, € 24,000. Both amounts have not changed since 30 May 2018. Since 10 June 2020, members of the remuneration committee have received fixed annual remuneration of € 3,000 for their work.

Where a member has not been on the board for a full financial year, he or she receives remuneration on a pro rata temporis basis.

In addition to fixed annual remuneration, members of the Supervisory Board receive € 1,000 for each meeting they attend.

5.2.2 Total remuneration of the Executive Board

In the 2020 fiscal year, the members of the Executive Board received total remuneration of € 1,831 thousand (previous year: € 1,795 thousand). This corresponds to a 2% increase over the previous year. Of this total remuneration, € 981 thousand (previous year: € 969 thousand) was attributable to fixed remuneration components and € 850 thousand (previous year: € 825 thousand) to variable remuneration components. 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.

The following table shows the Executive Board remuneration granted in the financial year and in the previous year.

	Dr Andreas Eckert				Dr Harald Hasselmann				Dr Lutz Helmke			
	Chairman of the Executive Board EZAG				Member of the Executive Board responsible for the Medical segment				Member of the Executive Board responsible for the Medical segment			
	Date appointed: July 3, 1997				Date appointed: January 1, 2017				Date appointed: September 17, 2018			
Amount, in €	2019	**2020**	Min	Max	2019	**2020**	Min	Max	2019	**2020**	Min	Max
Fixed remuneration	438,240	438,240	438,240	438,240	203,600	208,629	208,629	208,629	210,000	210,000	210,000	210,000
Ancillary benefits	38,281	39,787	39,787	39,787	37,338	41,105	41,105	41,105	42,034	43,264	43,264	43,264
Total	**476,521**	**478,027**	**478,027**	**478,027**	**240,938**	**249,734**	**249,734**	**249,734**	**252,034**	**253,264**	**253,264**	**253,264**
Inventor's compensation	0	0	0	0	0	0	0	0	0	0	0	0
Multi-year variable remuneration	500,000	500,000	0	500,000	125,010	150,000	0	250,000	200,000	200,000	0	200,000
Bonus on Group EBIT (5 years)	500,000	500,000	0	500,000	0	0	0	0	0	0	0	0
Bonus on Group net profit for the year, excluding the Medical segment, Therapy area (3 years)	0	0	0	0	100,000	100,000	0	100,000	0	0	0	0
Bonus on net profit for the year, Medical segment, Therapy area (3 years)	0	0	0	0	25,010	50,000	0	150,000	0	0	0	0
Bonus on Group EBT, excluding the Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	50,000	50,000	0	50,000
Bonus on EBT, Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	150,000	150,000	0	150,000
Total	**500,000**	**500,000**	**0**	**500,000**	**125,010**	**150,000**	**0**	**250,000**	**200,000**	**200,000**	**0**	**200,000**
Pension expense	0	0	0	0	0	0	0	0	0	0	0	0
Total remuneration	**976,521**	**978,027**	**478,027**	**978,027**	**365,948**	**399,734**	**249,734**	**499,734**	**452,034**	**453,264**	**253,264**	**453,264**

The following table shows the Executive Board remuneration paid in the financial year and in the previous year.

	Dr Andreas Eckert				Dr Harald Hasselmann				Dr Lutz Helmke			
	Chairman of the Executive Board EZAG				Member of the Executive Board responsible for the Medical segment				Member of the Executive Board responsible for the Medical segment			
	Date appointed: July 3, 1997				Date appointed: January 1, 2017				Date appointed: September 17, 2018			
Amount, in €	2019	**2020**	Min	Max	2019	**2020**	Min	Max	2019	**2020**	Min	Max
Fixed remuneration	300,000	300,000	300,000	300,000	203,600	208,629	208,629	208,629	210,000	210,000	210,000	210,000
Ancillary benefits	38,281	39,787	39,787	39,787	37,338	41,105	41,105	41,105	42,034	43,264	43,264	43,264
Total	**338,281**	**339,787**	**339,787**	**339,787**	**240,938**	**249,734**	**249,734**	**249,734**	**252,034**	**253,264**	**253,264**	**253,264**
Inventor's compensation	0	0	0	0	0	0	0	0	0	0	0	0
Multi-year variable remuneration	352,347	500,000	0	500,000	125,010	124,985	0	250,000	200,000	200,000	0	200,000
Bonus on Group EBIT (5 years)	352,347	500,000	0	500,000	0	0	0	0	0	0	0	0
Bonus on Group net profit for the year, excluding the Medical segment, Therapy area (3 years)	0	0	0	0	100,000	100,000	0	100,000	0	0	0	0
Bonus on net profit for the year, Medical segment, Therapy area (3 years)	0	0	0	0	25,010	24,985	0	150,000	0	0	0	0
Bonus on Group EBT, excluding the Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	50,000	50,000	0	50,000
Bonus on EBT, Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	150,000	150,000	0	150,000
Total	**352,347**	**500,000**	**0**	**500,000**	**125,010**	**124,985**	**0**	**250,000**	**200,000**	**200,000**	**0**	**200,000**
Pension expense	0	0	0	0	0	0	0	0	0	0	0	0
Total remuneration	**690,628**	**839,787**	**339,787**	**839,787**	**365,948**	**374,719**	**249,734**	**499,734**	**452,034**	**453,264**	**253,264**	**453,264**

[1] The fixed and variable remuneration of the Executive Board members Dr Harald Hasselmann and Dr Lutz Helmke is not included in the personnel expenses of the company, as it is paid through subsidiaries.

[2] In individual cases, the variable remuneration may be lower or higher than the minimum or maximum amounts shown, because the adjustment of the caps is always cumulative over the term of the contract, and the stated minimum and maximum amounts represent the annual average.

Under the terms of his contract, the Chairman of the Executive Board, Dr Andreas Eckert, was granted share-based remuneration in addition to the agreed fixed salary. In exchange for his work, Dr Eckert receives 800 shares of Eckert & Ziegler AG per month. After termination of the current Executive Board contract, the company is obliged to provide Dr Eckert with the number shares of Eckert & Ziegler AG corresponding to the entitlements he has acquired up to that point. The fair value of the entitlements to 9,600 shares granted in total in the 2020 financial year was € 430 thousand as at 31 December 2020 (based on the Xetra closing price of Eckert & Ziegler stock on 30 December 2020 (€ 44.84) without taking future dividends into account).

The stated variable remuneration for 2020 is based on the final financial statement figures, and this amount will be paid out in 2021. Due to the iteration problem, the provisions for bonuses contained in the balance sheet as at 31 December 2020 may differ slightly.

Pension provisions of € 328 thousand (previous year: € 312 thousand; calculation in both cases in accordance with IFRS) relate to another former member of the Executive Board and, since the end of 2019, his survivors. Pension payments were made to these survivors in the amount of € 19 thousand in the 2020 financial year (previous year: € 32 thousand).

5.2.3 Total remuneration of the Supervisory Board

In the 2020 financial year, the members of the Supervisory Board received fixed remuneration of € 126 thousand (previous year: € 108 thousand) and attendance fees of € 29 thousand (previous year: € 28 thousand). This corresponds to a total expenditure of € 155 thousand (previous year: € 136 thousand).

The individual members of the Supervisory Board received the following remuneration:

Name	Position for which remuneration was paid	Fixed remuneration	Attendance fee	Total
€ thousand				
Prof Dr Wolfgang Maennig	Chairman of the Supervisory Board	€ 36 thousand (2019: € 36 thousand)	€ 4 thousand (2019: € 4 thousand)	€ 40 thousand (2019: € 40 thousand)
Prof Dr Helmut Grothe	Deputy Chairman of the Supervisory Board	€ 24 thousand (2019: € 24 thousand)	€ 5 thousand (2019: € 5 thousand)	€ 29 thousand (2019: € 29 thousand)
Albert Rupprecht	Member of the Supervisory Board	€ 15 thousand (2019: € 12 thousand)	€ 5 thousand (2019: € 4 thousand)	€ 20 thousand (2019: € 16 thousand)
Dr Edgar Löffler	Member of the Supervisory Board	€ 18 thousand (2019: € 12 thousand)	€ 5 thousand (2019: € 5 thousand)	€ 23 thousand (2019: € 17 thousand)
Jutta Ludwig	Member of the Supervisory Board	€ 15 thousand (2019: € 12 thousand)	€ 5 thousand (2019: € 5 thousand)	€ 20 thousand (2019: € 17 thousand)
Frank Perschmann	from 29 May 2019: Member of the Supervisory Board	€ 18 thousand (2019: € 7 thousand)	€ 5 thousand (2019: € 2 thousand)	€ 23 thousand (2019: € 9 thousand)
Prof Dr Detlev Ganten	until 29 May 2019: Member of the Supervisory Board	€ 0 thousand (2019: € 5 thousand)	€ 0 thousand (2019: € 3 thousand)	€ 0 thousand (2019: € 8 thousand)

In August 2019, Eckert & Ziegler AG concluded a consultancy agreement with the consultancy firm of a member of the Supervisory Board on standard market terms. In the 2020 financial year, no services were provided under this agreement (previous year: € 7 thousand).

Other than that, no remuneration or benefits were paid to Supervisory Board members for services, in particular consulting or intermediary services, rendered outside of their activities on the Supervisory Board in the year under review.

The Supervisory Board established a remuneration committee, consisting of Dr Edgar Löffler and Frank Perschmann. Other than the remuneration committee, the Supervisory Board did not establish any further committees, including an audit committee or nomination committee. The need to form further committees, in particular an audit committee or a nomination committee, is not considered to be a priority by the Supervisory Board due to the small number of Supervisory Board members and the company's specific circumstances. All the duties of these committees are therefore performed by the Supervisory Board as a whole.

5.3 INFORMATION REQUIRED UNDER TAKEOVER LAW

As at 31 December 2020, the company's share capital amounted to € 21,171,932 (previous year: € 5,292,983). 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.

On 10 June 2020, the Annual General Meeting resolved to increase the share capital, which was implemented on 4 August 2020.

As a result, share capital of € 5,292,983 was increased from company funds by € 15,878,949 to € 21,171,932. The capital increase was effected through conversion of a portion of other retained earnings in share capital amounting to € 15,878,949, recognised in the company's annual balance sheet as at 31 December 2019 in exchange for the issuance of 15,878,949 new no-par-value bearer shares ("Free Shares"). The Free Shares were entitled to participate in profit from 1 January 2020. The company's shareholders were entitled to Free Shares based on their shareholding at the ratio of 1:3, meaning that for every one (1) current share, shareholders received three (3) Free Shares.

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 2020, 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 2020, 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, which 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.

The Annual General Meeting is authorised, with 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 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 redemption 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 Section 186 (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 companies as well as to members of the management of affiliated companies and used to service rights or obligations to acquire shares in the company granted to employees of the company and affiliated companies as well as members of the management of affiliated companies. 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 2020, the company held 581,956 (previous year: 145,489) treasury shares with a nominal value of € 582 thousand (previous year: € 145 thousand), which are deducted from the outstanding capital in the balance sheet.

5.4 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 > Declaration on Compliance*.

5.5 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.”

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

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

Berlin, 14 April 2021

Eckert & Ziegler Strahlen- und Medizintechnik AG
The Executive Board

Dr Andreas Eckert | Dr Harald Hasselmann | Dr Lutz Helmke

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GROUP FINANCIAL INFORMATION

GROUP FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF CHANGES IN ASSETS

INDEPENDENT AUDITOR’S REPORT

SEPARATE FINANCIAL STATEMENTS OF ECKERT & ZIEGLER AG

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€ thousand	Notes	2019	2020
Revenue	5	**178,493**	**176,139**
Cost of sales	6	–91,469	–89,608
Gross profit on sales		**87,024**	**86,531**
Selling expenses	7	–22,932	–21,724
General administrative expenses	8	–27,574	–28,083
Impairment gains/losses in accordance with IFRS 9	37	–630	–502
Other operating income	11	2,846	5,760
Other operating expenses	12	–7,106	–6,740
Net operating income		**31,628**	**35,242**
Net income from participations measured at equity	13	176	467
Foreign exchange gains	14	914	1,934
Foreign exchange losses	14	–663	–3,954
Earnings before interest and taxes (EBIT)		**32,055**	**33,689**
Interest income	15	287	249
Interest expense	15	–1,095	–1,193
Earnings before taxes (EBT)		**31,247**	**32,745**
Income taxes	16	–8,769	–9,634
Consolidated net income		**22,478**	**23,111**
Profit (+)/loss (–) attributable to non-controlling interests	17	459	227
Share of net income attributable to shareholders of Eckert & Ziegler AG		**22,019**	**22,884**
Earnings per share	18		
Undiluted (€ per share)		**1.07**	**1.11**
Diluted (€ per share)		**1.07**	**1.11**
Average number of shares in circulation (undiluted – in thousand units)		20,532	20,590
Average number of shares in circulation (diluted – in thousand units)		20,532	20,590

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousand	Notes	2019	2020
Consolidated net income		**22,478**	**23,111**
Of which attributable to shareholders of Eckert & Ziegler		22,019	22,884
Of which profit (+)/loss (–) attributable to non-controlling interests		459	227
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		976	–4,707
Amount reposted to the income statement		–15	190
Exchange rate differences from the translation of foreign business operations	29	**961**	**–4,517**
Items that will not be reclassified to the income statement in the future			
Change in fair value of financial assets available for sale		0	232
Deferred taxes		0	–70
Change in fair value of financial assets available for sale		**0**	**162**
Profit (+)/loss (–) from defined benefit pension commitments	29,32	–2,004	–885
Deferred taxes		635	279
Remeasurement of the defined benefit obligation		–1,369	–606
		–1,369	**–606**
Other comprehensive income after taxes		**–408**	**–4,961**
Consolidated comprehensive income		**22,070**	**18,150**
Consolidated comprehensive income attributable to:			
Shareholders of Eckert & Ziegler AG		21,595	17,954
Non-controlling interests		475	196

CONSOLIDATED BALANCE SHEET

€ thousand	Notes	31.12.2019	31.12.2020
Assets			
Non-current assets			
Goodwill	19	42,059	32,448
Other intangible assets	19	9,840	8,974
Property plant and equipment	20	40,005	38,016
Right-of-use assets (IFRS 16)	21	19,564	19,845
Interests in associates or joint ventures	22	3,644	6,895
Deferred tax assets	16	10,920	11,898
Other non-current assets	23	1,544	1,085
Total non-current assets		**127,576**	**119,161**
Current assets			
Cash and cash equivalents	24	78,922	87,475
Securities		0	1,135
Trade receivables	25	29,484	28,199
Inventories	26	31,220	33,574
Income taxes	16	2,691	3,027
Other current assets	27	4,343	5,452
Non-current assets held for sale and disposal groups	28	0	13,980
Total current assets		**146,660**	**172,842**
Total assets		**274,236**	**292,003**
Liabilities			
Equity	29		
Subscribed capital		5,293	21,172
Capital reserves		53,763	54,188
Retained earnings		85,468	83,722
Other reserves		–810	–5,740
Treasury shares		–5,519	–5,519
Equity attributable to shareholders of Eckert & Ziegler AG		**138,195**	**147,823**
Non-controlling interests	17	1,246	1,096
Total equity		**139,441**	**148,919**
Non-current liabilities			
Non-current loan liabilities	30	19	2
Non-current lease liabilities (IFRS 16)	21	17,157	17,852
Deferred income from grants and other deferred income (non-current)	31	4,128	1,727
Deferred tax liabilities	16	2,836	2,210
Provisions for pensions	32	13,487	14,443
Other non-current provisions	33	51,440	55,743
Other non-current liabilities	34	2,110	1,983
Total non-current liabilities		**91,177**	**93,960**
Current liabilities			
Current loans and financial lease liabilities	30	16	4
Current lease liabilities (IFRS 16)	21	2,694	2,545
Trade payables		4,487	5,020
Advance payments received	35	11,952	8,620
Deferred income from grants and other deferred income (current)	31	45	38
Income tax liabilities	16	5,671	6,899
Other current provisions	33	3,002	4,062
Other current liabilities	36	15,751	18,672
Liabilities directly related to assets held for sale and disposal groups	28	0	3,264
Total current liabilities		**43,618**	**49,124**
Total liabilities		**274,236**	**292,003**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in € thousand, excluding subscribed capital	Ordinary shares Number	Ordinary shares Nominal value	Capital reserve	Retained earnings
Balance as at 1 January 2020	**5,292,983**	**5,293**	**53,763**	**85,468**
Total income and expenses recognised directly in equity	0	0	0	0
Consolidated net income	0	0	0	22,884
Consolidated comprehensive income	0	0	0	22,884
Dividends paid	0	0	0	–8,751
Capital increase/stock split	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**	**83,722**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in € thousand, excluding subscribed capital	Ordinary shares Number	Ordinary shares Nominal value	Capital reserve	Retained earnings
Balance as at 1 January 2019	**5,292,983**	**5,293**	**53,625**	**69,626**
Total income and expenses recognised directly in equity	0	0	0	0
Consolidated net income	0	0	0	22,019
Consolidated comprehensive income	0	0	0	22,019
Dividends paid	0	0	0	–6,177
Share-based remuneration	0	0	138	0
Balance as at 31 December 2019	**5,292,983**	**5,293**	**53,763**	**85,468**

Cumulative other comprehensive income: Unrealised result from actuarial gains/losses	Unrealised result from securities	Foreign exchange translation differences	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**
–606	162	–4,486	0	–4,930	–31	–4,961
0	0	0	0	22,884	227	23,111
–606	162	–4,486	0	17,954	196	18,150
0	0	0	0	–8,751	–346	–9,097
0	0	0	0	0	0	0
0	0	0	0	425	0	425
–4,536	**162**	**–1,366**	**–5,519**	**147,823**	**1,096**	**148,919**

Cumulative other comprehensive income: Unrealised result from actuarial gains/losses	Foreign exchange translation differences	Treasury shares	Equity attributable to shareholders of Eckert & Ziegler AG	Non-controlling interests	Consolidated equity
–2,561	**2,175**	**–5,519**	**122,639**	**1,238**	**123,877**
–1,369	945	0	–424	16	–408
0	0	0	22,019	459	22,478
–1,369	945	0	21,595	475	22,070
0	0	0	–6,177	–467	–6,644
0	0	138	138	0	138
–3,930	**3,120**	**–5,519**	**138,195**	**1,246**	**139,441**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ thousand	Notes	2019	2020
Cash flow from operating activities	37		
Consolidated net income		22,478	23,111
Adjustments for:			
Depreciation, amortisation and impairments		11,078	10,952
Net interest income [interest expense (+)/income (-)]		808	944
Income tax expense		8,769	9,634
Income tax payment		–7,029	–10,082
Non-cash income from the release of deferred grants		–147	–789
Gain (–)/loss (+) from the disposal of non-current assets		99	331
Gain/loss on the sale of securities		0	7
Change in non-current provisions, other non-current liabilities		–2,093	5,658
Change in other non-current assets and receivables		2,438	–39
Other non-cash events		253	–715
Changes in current assets and liabilities:			
Receivables		–385	121
Inventories		–2,156	–2,355
Change in other current assets		1,031	–6,079
Change in current liabilities and provisions		5,285	6,088
Cash flow from operating activities		**40,429**	**36,787**
Cash flow from investment activities	38		
Expenditures for intangible assets and property, plant and equipment		–7,254	–8,905
Income from the sale of intangible assets and property, plant and equipment		41	17
Expenditures for acquisitions (net of cash acquired)		–662	0
Expenditures for interests in companies consolidated at equity		0	–4,360
Expenditures for the acquisition of participations		–279	0
Income from participations		0	1,500
Expenditures for the purchase of securities		0	–1,004
Income from the sale of securities		0	96
Payments related to the granting of loans		0	–689
Income from the repayment of granted loans		2,500	0
Cash outflow from investing activities		**–5,654**	**–13,345**
Cash flow from financing activities	39		
Paid dividends		–6,177	–8,751
Distributions on third-party interests		–467	–354
Disbursements for the payment of loans and lease liabilities		–2,655	–3,021
Disbursements for the acquisition of non-controlling interests		–600	0
Interest received		181	118
Interest paid		–783	–950
Cash outflow from financing activities		**–10,501**	**–12,958**
Changes in cash and cash equivalents resulting from exchange rates		462	–1,931
Decrease/increase in cash and cash equivalents		**24,736**	**8,553**
Cash and cash equivalents at the beginning of the period		**54,186**	**78,922**
Cash and cash equivalents at the end of the period		**78,922**	**87,475**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2020 FINANCIAL YEAR

The Executive Board approved the consolidated financial statements for submission to the Supervisory Board on 14 April 2021. 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 (hereafter referred to as “Eckert & Ziegler AG”) is a holding company with specialised subsidiaries worldwide engaged in the processing of radio isotopes and the development, production and sale of isotope technology components, radiation equipment, 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, on the other hand, as a manufacturer of precursors, those of companies that manufacture and sell radiopharmaceuticals.

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 health care sector.

2 | ACCOUNTING PRINCIPLES

The consolidated financial statements of Eckert & Ziegler AG as at 31 December 2020 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 International Financial Reporting Interpretations Committee (IFRIC) 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 2020. 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 company is registered in the commercial register in Berlin-Charlottenburg under number HRB 64997 B. The consolidated financial statements 2020and the combined management report as at 31 December 2020 are published in the electronic version of the German Federal Gazette (Bundesanzeiger).

3 | SIGNIFICANT ACCOUNTING STANDARDS

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, 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. Capitalised development costs consist of all directly attributable costs, which are incurred from the date when all capitalisation criteria have been met. After successful completion of the development project, capitalised development costs are amortised over the planned economic life of the product. Amortisation of capitalised development costs is presented under cost of sales. 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

Intangible assets with indefinite useful lives are reviewed annually to determine whether the asset continues to have an indefinite useful life.

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, as well as financing costs insofar as the requirements according to IAS 23 are met. 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 2020. 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 of the Medical Devices division 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.

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 of, 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, for example in rental, lease, and service contracts but also as part of outsourcing agreements. As a lessee, the Group recognises leases in accordance with the 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 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.

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 is 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, for example 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.

Research and development – Research expenditures are recognised as an expense under other operating expenses in the period in which they are incurred. Development costs are capitalised in accordance with IAS 38 (Intangible Assets) if certain cumulative conditions are met. Amortisation of capitalised development costs is presented under cost of sales. Development costs that cannot be capitalised are recorded as expenses when incurred and recognised under other operating expenses.

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 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 offset 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).

NEW FINANCIAL REPORTING STANDARDS

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

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 2020.

1. Amendments to references to the conceptual framework in IFRS standards
2. Amendments to IAS 1 and IAS 8: Definition of "material"
3. Amendments to IFRS 9, IAS 39, and IFRS 7: Interest rate benchmark reform
4. Amendments to IFRS 3: Definition of "business"

Amendments to references to the conceptual framework in IFRS standards

Together with the revised Conceptual Framework for Financial Reporting, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the Conceptual Framework so that they refer to the revised Conceptual Framework. Some pronouncements are updated only to indicate which version of the Conceptual Framework they are referring to (the IASC Conceptual Framework adopted by the IASB in 2001, the IASB Conceptual Framework of 2010 or the new revised Conceptual Framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments were adopted by the EU on 29 November 2019. The amendments, where they actually are updates, are required to be applied for financial years beginning on or after 1 January 2020.

The Group began to apply the amendments effective 1 January 2020, and this had no material effect on the consolidated financial statements.

Amendments to IAS 1 and IAS 8: Definition of "material"

The amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors aim at refining the definition of materiality by standardising the wording of the definition used in different standards and pronouncements of the IASB, and clarifying the concepts related to the definition. At the same time, the concept of obscuring is introduced and illustrated by examples.

The revised definition focuses on the materiality of information. According to this revised definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements under IFRS make on the basis of those financial statements.

The revised definition of material will in future be contained only in IAS 1. IAS 8 merely refers to the fact that "material" is defined in IAS 1 and is to be applied with the same meaning in IAS 8.

The objective is to standardise the definition of material in IFRS and the Conceptual Framework. The previous definition of material in the context of international accounting addressed only the omission or misstatement of information. Following clarification, the obscuring of material information by immaterial information has an impact similar to omission. In addition, it was specified that information is material if it "could reasonably be expected" to have an influence. In addition, the persons to whom information is addressed were specified. Now, information is addressed to primary users, who must rely on general purpose financial statements for much of the financial information they need.

The definition was adopted by the EU on 29 November 2019. The amendments to the references to the Conceptual Framework in IFRS standards are required to be applied for financial years beginning on or after 1 January 2020.

The Group began to apply the amendments effective 1 January 2020, and this had no material effect on the consolidated financial statements.

Amendments to IFRS 9, IAS 39, and IFRS 7: Interest rate benchmark reform

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 of the hedging instrument. Also, additional disclosures under IFRS 7 are required.

The amendments were adopted by the EU on 16 January 2020. The amendments to the references to the Conceptual Framework in IFRS standards are required to be applied for financial years beginning on or after 1 January 2020.

The Group began to apply the amendments to IFRS 9, IAS 39 and IFRS 7 effective 1 January 2020, and this had no material effect on the consolidated financial statements.

Amendments to IFRS 3: Definition of "business"

The amendments to IFRS 3 Business Combinations clarify the definition of a business.

A business is still defined by three elements: input(s), process(es) and output(s), where inputs and processes applied to those inputs should be used to create outputs. The amended definition of output focuses on the provision of goods and services to customers, but also includes investment income such as dividends, interest and other income. In contrast, cost reductions are no longer a feature of output.

The amendments clarify that to be considered a business, an acquisition must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The existence of processes is ultimately what distinguishes an acquisition of a business from an acquisition of a group of assets. The evaluation depends on whether or not the acquired group of activities and assets already create outputs.

In addition, a so-called concentration test was introduced as a transaction-related option that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This is the case if substantially all of the fair value of the gross assets acquired ("substantially all") is concentrated in a single identifiable asset (or group of similar identifiable assets).

The amendments were adopted by the EU on 21 April 2020. The amendments to IFRS 3 are required to be applied for the first time to transactions whose acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.

The Group began to apply the amendments effective 1 January 2020, 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 2020 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 2020, but their application is first mandatory until 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 16: Covid-19-related rent concessions	28 May 2020	9 October 2020	1 June 2020 **
Amendments to IFRS 4 Insurance Contracts: Extension of the temporary deferral of IFRS 9	25 June 2020	15 December 2020	1 January 2021

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

** *In May 2020, the IASB published the amendment to IFRS 16 "Covid-19-Related Rent Concessions" and thus provided temporary relief for the accounting of rent concessions for lessees, which is required to be applied for reporting periods beginning on or after 1 June 2020. Earlier application is permissible, including in financial statements not authorised for issue at 28 May 2020 (IFRS 16.C1A). If Covid-19-related relief for rent concessions is already being applied, this must be disclosed in the notes.*

IFRS, IFRIC and amendments that were published on or before 31 December 2020 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 2020. This application presupposes that they will be adopted into European law 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
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	18 May 2017/ 25 June 2020		1 January 2023	none
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, plus amendments to IAS 1 – Deferral of effective date of amendments	23 January 2020/ 15 July 2020		1 January 2023	undetermined
Annual Improvements Cycle 2018–2020	14 May 2020		1 January 2022	undetermined
Amendments to: – IFRS 3 Business Combinations: References to the Conceptual Framework – IAS 16 Property, Plant and Equipment: Proceeds before Intended Use – IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	14 May 2020	H2/2021	1 January 2022	undetermined
IFRS 4 and IFRS 16: Interest rate benchmark reform – Phase 2	27 August 2020	Q4/2020	1 January 2021	undetermined

* *Estimated date*

CONSOLIDATION METHODS

The Group uses the acquisition method of accounting to account for business combinations in accordance with IFRS 3 and IFRS 10. Initial consolidation takes place at the time of acquisition, namely 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 interests is subsequently offset against the pro rata revalued equity of the subsidiary. Any resulting positive difference is reported as goodwill under intangible assets, while a negative difference is recognised immediately after review through profit or loss in the income statement.

All material assets and liabilities, income and expenses, and inter-company results between affiliated 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 companies included in the 2020 consolidated financial statements are:

	Voting rights
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%
Mick Radio-Nuclear Instruments Inc., Mt. Vernon (New York), USA *	100%
Eckert & Ziegler BEBIG Serviços De Consultoria Em Produtos De Radioterapia Ltda., Fortaleza, Brazil	100%
Eckert & Ziegler BEBIG India Pvt. Ltd, New Delhi, India *	100%
BEBIG Medical GmbH, Berlin *	100%
WOLF-Medizintechnik GmbH, St. Gangloff *	100%
Medwings SA, Lisbon, Portugal *	100%
Eckert & Ziegler Radiopharma GmbH, Berlin	100%
Eckert & Ziegler Radiopharma Projekte UG (limited liability), Berlin *	100%
Eckert & Ziegler Systems GmbH, Berlin *	100%
Eckert & Ziegler Eurotope GmbH, Berlin *	100%
Eckert & Ziegler Radiopharma Inc., Hopkinton, USA *	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%
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 *	100%
Gamma-Service Recycling GmbH, Leipzig *	100%
Gamma-Service Medical GmbH, Leipzig *	100%
GSG International GmbH, Freienbach, Switzerland *	100%
Isotope Technologies Dresden GmbH, Dresden *	100%
ISOTREND spol s.r.o., Prague, Czech Republic *	100%
IPS International Processing Services GmbH, Leipzig *, ***	50%
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.*

*** *IPS is fully consolidated despite holding only a 50% interest, as Eckert & Ziegler controls the management, and the company exclusively handles orders from other Eckert & Ziegler companies.*

CHANGES TO THE SCOPE OF CONSOLIDATION

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.

In the 2019 financial year, the following company interests were acquired, and changes were made to the scope of consolidation (acquisitions are presented in Note 40):

- On 24 October 2019, Eckert & Ziegler BEBIG GmbH acquired all shares in Lisbon-based Medwings SA, Portugal. By acquiring the Portuguese distributor, Eckert & Ziegler BEBIG GmbH is continuing its strategy of consolidating the market and strengthening its own market position in Europe.
- Eckert & Ziegler BEBIG India Pvt. Ltd, New Delhi, India, ceased doing business in the 2019 financial year. The company will be dissolved, and it was thus deconsolidated in the consolidated financial statements as at 31 December 2019.

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 2020	31 Dec 2019	Average exchange rate 2020	Average exchange rate 2019
USA	USD	1.23	1.12	1.23	1.12
CZ	CZK	26.24	25.67	26.24	25.67
UK	GBP	0.9	0.88	0.9	0.88
RU	RUB	91.47	72.46	91.47	72.46
BR	BRL	6.37	4.41	6.37	4.41
IN	INR	89.66	78.85	89.66	78.85
CH	CHF	1.09	1.11	1.09	1.11

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 2020 consolidated financial statements had no material effect on the Group's net assets, financial position, and financial performance.

NOTES TO 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 fell from € 178,493 thousand to € 176,139 thousand in the financial year 2020.

Revenue is broken down as follows:

€ thousand	2020	2019
Revenue from the sale of goods	149,783	156,710
Revenue from the provision of services	23,016	19,441
Revenue from construction contracts	3,341	2,342
Total	**176,139**	**178,493**

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, namely 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 (namely 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 have likewise been allocated to the Medical segment since the restructuring, 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 2020 and 2019 financial years, the Group generated revenue from such contracts with customers in accordance with the POC method amounting to € 3,341 thousand (previous year: € 2,342 thousand). The cost-to-cost method was applied to determine the degree of completion.

€ thousand	2020	2019
Revenue	3,341	2,342
Contract costs	–2,978	–2,032
Profit	362	310
Manufacturing contracts in progress as at the reporting date:		
Revenue earned	3,138	2,190
Advance payments received	–3,180	–1,851
Manufacturing contracts with a credit balance	0	132
Manufacturing contracts with a debit balance	–511	0

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 € 544 thousand (previous year: € 2,011 thousand). Of the remaining performance obligations, agreed transaction prices amounted to € 7,078 thousand (previous year: € 5,184 thousand), which are expected to be realised during the 2021 financial year.

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

Cost of inventories recognised as an expense amounted to € 42,636 thousand in 2020 (previous year: € 48,296 thousand). No impairment losses were recognised on inventory in the year under review (previous year: € 167 thousand).

7 | SELLING EXPENSES

Selling expenses are broken down as follows:

€ thousand	2020	2019
Personnel costs and related personnel expenses	11,398	10,358
Delivery costs	7,498	6,801
Advertising	452	1,297
Depreciation and amortisation	864	960
Other	1,512	3,516
Total	**21,724**	**22,932**

8 | GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses consisted of:

€ thousand	2020	2019
Personnel and related personnel expenses	15,340	14,203
Depreciation and amortisation	3,826	3,901
Insurance, contributions, fees, purchased services	1,814	2,825
Consultancy costs	2,132	1,943
Communication costs	456	794
Rent and ancillary costs	322	483
IR costs	421	240
Other	3,773	3,185
Total	**28,083**	**27,574**

9 | EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

The items of the income statement include personnel expenses and other personnel-related costs of € 58,877 thousand (previous year: € 56,159 thousand).

Personnel expenses for the financial years 2020 and 2019 included, inter alia:

€ thousands	2020	2019
Wages and salaries	47,764	47,849
Social insurance contributions and expenses for pensions and other employee benefits	8,294	8,053
– thereof for pensions	474	474

The Group companies had 798 employees on average in 2020 (previous year: 778), who worked in the following departments:

€ thousand	2020	2019
Manufacturing	391	374
R&D plant engineering	63	48
Administration	137	159
Sales and distribution	152	140
Quality management	56	57
Total	**798**	**778**

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

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

Expenses totalling € 3.004 thousand (previous year: € 3.206 thousand) that are included in the income statement represent Group contributions payable to the specified pension plans. As at 31 December 2020 and 2019, 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:

	2020		2019	
€ thousand	Amortisation	Impairment losses	Amortisation	Impairment losses
Cost of sales	1,105	0	1,912	0
Selling expenses	468	0	528	0
General administrative expenses	559	0	193	0
Other operating expenses	33	0	68	0
Total	**2,165**	**0**	**2,701**	**0**

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

	2020		2019	
€ thousand	Depreciation	Impairment losses	Depreciation	Impairment losses
Cost of sales	3,943	0	3,581	0
Selling expenses	278	0	358	0
General administrative expenses	922	0	1,309	0
Other operating expenses	385	0	114	0
Total	**5,528**	**0**	**5,362**	**0**

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

	2020		2019	
€ thousand	Depreciation	Impairment losses	Depreciation	Impairment losses
Cost of sales	776	0	541	0
Selling expenses	118	0	74	0
General administrative expenses	2,345	0	2,399	0
Other operating expenses	20	0	1	0
Total	**3,259**	**0**	**3,015**	**0**

11 | OTHER OPERATING INCOME

In the 2020 financial year, other operating income rose sharply by € 2,914 thousand year-on-year to € 5,760 thousand (previous year: € 2,846 thousand).

In 2020 other operating income mainly consisted of income from the release of provisions in the amount of € 3,889 thousand (previous year: € 870 thousand), cost reimbursements received in the amount of € 964 thousand (previous year: € 280 thousand) and the release of special items for grants received in the amount of € 789 thousand (previous year: € 82 thousand).

Other operating income also included income from the measurement of financial instruments at fair value in the amount of € 33 thousand (previous year: € 72 thousand) and income from the sale of non-current assets in the amount of € 20 thousand (previous year: € 29 thousand).

12 | OTHER OPERATING EXPENSES

Other operating expenses fell year-on-year by € –366 thousand to € 6,740 thousand compared to the previous year (previous year: € 7,106 thousand). In addition to research and development costs of € 3,746 thousand (previous year: € 3,746 thousand), this item mainly included restructuring costs of € 615 thousand (previous year: € 201 thousand), losses from the disposal of non-current assets of € 351 thousand (previous year: € 122 thousand) and losses from the write-down of assets recognised at fair value of € 50 thousand (previous year: € 1,973 thousand).

Moreover, they also included in the year under review the costs for radiation protection and quality assurance in the amount of € 1,814 thousand, whereas the previous year included expenses for damages, penalties and other settlement agreements in the amount of € 1,288 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 € 3,376 thousand (previous year: € 3,746 thousand) included amortisation/depreciation and impairment losses in the amount of € 215 thousand (previous year: € 183 thousand), personnel expenses in the amount of € 2,794 thousand (previous year: € 2,591 thousand), material and third-party expenditures in the amount of € 234 thousand (previous year: € 728 thousand) and other expenses in the amount of € 133 thousand (previous year: € 244 thousand).

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, AO Ritverc, St. Petersburg/Russia, Nuclear Control & Consulting GmbH, Leipzig, Myelo Therapeutics GmbH, Berlin and Pentixapharm GmbH, Würzburg.

In the 2020 financial year, income from participations measured at equity amounted to € 1,488 thousand (previous year: € 176 thousand) (mainly from ZAO NanoBrachyTech and AO Ritverc).

In addition, the participations in Myelo Therapeutics GmbH and Pentixapharm GmbH resulted in expenses for pro rata losses of € 1,021 thousand (previous year: € 0 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 € 1,934 thousand (previous year: € 914 thousand) and foreign exchange losses in the amount of € 3,954 thousand (previous year: € 663 thousand).

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

15 | NET INTEREST INCOME

In the 2020 financial year, interest income on financial assets measured at amortised cost amounted to € 249 thousand (previous year: € 287 thousand) and interest expenses amounted to € 1,193 thousand (previous year: € 1,095 thousand), of which € 733 thousand (previous year: € 618 thousand) related to lease accounting under IFRS 16.

Interest expenses also included € 243 thousand (previous year: € 312 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 2020 and 2019 financial years was 30.175%. The Group tax rate consisted of the following:

	2020	2019
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 2020 and 2019:

€ thousand	2020	2019
Earnings before taxes		
Germany	17,699	16,888
Foreign subsidiaries	15,046	14,359
	32,745	**31,247**

€ thousand	2020	2019
Current taxes:		
Germany	8,538	7,007
Foreign subsidiaries	2,418	1,725
	10,956	**8,732**

Current taxes in 2020 included € 119 thousand (refunds) from previous years (previous year: € 663 thousand).

€ thousand	2020	2019
Deferred taxes:		
Germany	–1,656	–810
Foreign subsidiaries	334	847
	–1,322	37
Total taxes:	**9,634**	**8,769**

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	2020	2019
Basis for determining the tax expense (earnings before taxes)	32,745	31,247
Expected tax expense based on Group tax rate	9,881	9,429
Tax rate differences at subsidiaries	–1,260	–1,463
Taxes for previous years	–119	–663
Taxes on non-deductible expenses	1,347	1,012
Taxes on tax-exempt income	–437	–481
Deferred taxes on the capitalisation of previously unrecognised loss carryforwards	–65	–117
Adjustments to deferred tax assets and liabilities arising from temporary differences	253	–139
Impairment losses recognised on deferred tax assets for loss carryforwards	0	119
Use of previously non-capitalised deferred taxes on loss carryforwards	–510	–50
Non-capitalised deferred taxes on financial year losses	507	1,018
Other	37	104
Effective tax expense	**9,634**	**8,769**

The following tax rates were used by the parent company as at 31 December 2020 to calculate deferred taxes, which remained unchanged compared to 31 December 2019: 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 € 1,587 thousand (previous year: € 941 thousand) and deferred tax income of € 377 thousand (previous year: € 567 thousand) related to changes in tax loss carryforwards in the year under review, while temporary differences included deferred tax income of € 2,533 thousand (previous year: deferred tax income of € 337 thousand).

A total of € 1,476 thousand (previous year: € 2,686 thousand) in deferred taxes was capitalised on tax loss carryforwards. The loss carryforwards mainly related to losses in the amount of € 1,347 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 € 29 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 € 1,476 thousand in deferred tax assets on loss carryforwards, € 1,447 thousand (previous year: € 1,594 thousand) related to companies that recorded a tax loss in 2020 but are expected to generate a profit in the future. In the 2020 financial year, € 510 thousand of loss carryforwards were utilised (previous year: € 50 thousand) for which no deferred tax assets were recognised for loss carryforwards as at December 31 of the previous year. As at 31 December 2020, the Group had loss carryforwards of € 4,039 thousand (previous year: € 22,867 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 € 73 thousand (previous year: € 17 thousand).

In the year under review, deferred tax income of € 279 thousand (previous year: € 633 thousand) relating to actuarial gains and losses from the measurement of pension provisions was recognised directly in equity.

No deferred tax liabilities were recognised for temporary differences from retained earnings of subsidiaries in the amount of € 63,461 thousand (previous year: € 65,394 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	**2020**	2019	**2020**	2019
Tax loss carryforwards	1,476	2,686	0	0
Non-current assets	3,136	1,918	8,987	9,761
Securities	0	0	70	0
Receivables	81	83	84	169
Liabilities	4,322	5,024	0	2
Inventories	149	161	0	0
Provisions	9,836	8,576	0	0
Other	0	97	171	529
Subtotal	**19,000**	**18,545**	**9,312**	**10,461**
Balance	–7,102	–7,625	–7,102	–7,625
Balance based on the consolidated balance sheet	**11,898**	**10,920**	**2,210**	**2,836**

17 | NON-CONTROLLING INTERESTS

Consolidated net income after taxes includes profit shares attributable to non-controlling interests in the amount of € 227 thousand (previous year: € 459 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, 2020**	Dec 31, 2019
Current assets	11,571	11,527
Non-current assets	1,319	1,197
Current liabilities	–1,726	–285
Non-current liabilities	–538	–707
Equity attributable to shareholders of Eckert & Ziegler AG	9,510	10,495
Equity attributable to non-controlling interests	1,116	1,237

€ thousand	2020	2019
Revenue	6,351	9,982
Expenses	–4,403	–6,348
Net profit for the year	**1,948**	**3,634**
Net profit for the year attributable to shareholders of Eckert & Ziegler AG	1,732	3,180
Net profit for the year attributable to non-controlling interests	216	454
Total net profit for the year	**1,948**	**3,634**
Other net income attributable to shareholders of Eckert & Ziegler AG	–248	134
Other net income attributable to non-controlling interests	–31	16
Total other net income	**–279**	**150**
Comprehensive income attributable to shareholders of Eckert & Ziegler AG	1,484	3,314
Comprehensive income attributable to non-controlling interests	185	470
Comprehensive income	**1,669**	**3,784**
Cash flow prior to dividend payment	–26	1,096

€ thousand	Dec 31, 2020	Dec 31, 2019
Dividends paid on non-controlling interests	354	467

18 | EARNINGS PER SHARE

Earnings per share were calculated as follows:

FROM CONTINUED AND DISCONTINUED OPERATIONS

	As at the end of the year	
€ thousand	2020	2019
Numerator for calculation of the profit and the diluted and undiluted earnings per share – earnings share of the shareholders of Eckert & Ziegler AG	22,884	22,019
Denominator for calculation of undiluted earnings per share – weighted average of the number of shares (in thousands)	20,590	20,532
Denominator for calculation of diluted earnings per share – weighted average of the number of shares (in thousands)	20,590	20,532
Undiluted earnings per share (in €)	1.11	1.07
Diluted earnings per share (in €)	1.11	1.07

NOTES CONCERNING THE CONSOLIDATED BALANCE SHEET

19 | INTANGIBLE ASSETS

The changes in intangible assets from 1 January 2020 to 31 December 2020 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 neither additions nor disposals of goodwill in the 2020 and 2019 financial years. On whole, the items changed as follows:

€ thousand	2020	2019
As at 1 January	42,059	41,828
Reclassification to assets held for sale	–8,000	0
Currency translation differences	–1,611	231
As at 31 December	**32,448**	**42,059**

The decline in goodwill of € –1,611 thousand was due to currency translation differences (previous year: € 231 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 planned sale of the HDR business, € 8,000 thousand of goodwill in the Medical segment was reclassified as assets held for sale.

Specifically, goodwill is allocated to the segments as follows:

€ thousand	Goodwill 2020	Goodwill 2019
Isotope Products	21,041	22,546
Medical	11,407	19,513
of which Business Unit Medical Devices (previous year: Radiation Therapy segment)	8,763	17,067
of which Business Units Laborgeräte and Pharma (previous year: Radiopharma segment)	2,644	2,446
As at 31 December	**32,448**	**42,059**

Capitalised goodwill was tested for impairment in accordance with IAS 36 in the 2020 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. One CGU has been identified in the Isotope Products segment and two CGUs in the Medical segment. The BU Medical Devices corresponds to the previous year's Radiation Therapy segment and the BU's Pharma and Laborgeräte to the previous year's Radiopharma segment.

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 7.3% (previous year: 8.6%) for the Isotope Products segment and 7.6% (previous year: 7.3% to 8.6%) for the Medical segment.

Impairment testing as at 31 December 2020 did not identify any need to recognise impairment losses based on the respective recoverable amounts, as was the case as at 31 December 2019.

The outcome of impairment testing for the goodwill of the Isotope Products segment 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. A scenario analysis was not performed for the goodwill of the Radiopharma CGU of the Medical segment, as the relevant figures for the Group are not considered to be material.

For the impairment testing of the goodwill of the Radiation Therapy CGU of the Medical segment, a scenario analysis was performed that led to the following results:

Change compared to the base scenario	Base scenario	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Change in revenue	0%	–5%	–10%	0%	0%	–10%
Change in cost of sales	0%	–4%	–8%	0%	0%	–8%
Change in WACC	0%	0%	0%	1%	4%	3%
Cumulative revenue over five years	100%	95%	90%	100%	100%	90%
Cumulative EBIT over five years	100%	89%	77%	100%	100%	77%
Cumulative FCF over five years	100%	92%	85%	100%	100%	85%
Calculated goodwill	100%	73%	47%	87%	67%	44%
Calculated goodwill in relation to carrying amount	>1.0	>1.0	0.98	>1.0	>1.0	0.92
Need for impairment loss	No	No	Yes	No	No	Yes
Impairment loss in € thousand	0	0	283	0	0	1,371

As scenarios 2 and 5 are unlikely from today's perspective, the goodwill of the CGU BU Medical Devices is considered recoverable.

b) Amortised intangible assets for the financial years ended 31 December 2020 and 2019, respectively, consisted of the following:

(1) Acquired intangible assets

	2020 € thousand	remaining amortisation period	2019 € thousand
Customer relationships	1,382	2–5 years	2,486
Licenses/software/permits	2,988	1–5 years	4,011
Patents/technology	1,545	1–5 years	2,354
As at 31 December	**5,915**		**8,851**

(2) Internally generated intangible assets

	2020 € thousand	remaining amortisation period	2019 € thousand
Permits	2,986	3–10 years	708
Patents/technology	73	1–5 years	281
As at 31 December	**3,059**		**989**

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).

20 | PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment from 1 January 2020 to 31 December 2020 are shown in the statement of changes in assets.

Additions in the 2020 financial year mainly related to ongoing replacement investments, as well as the expansion and modernisation of existing production facilities. In the 2020 financial year, internally-manufactured production facilities were capitalised in the amount of € 2,392 thousand (previous year: € 2,354 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, Eckert & Ziegler 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 of Eckert & Ziegler 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 Eckert & Ziegler's 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 Eckert & Ziegler 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, 2020	Dec 31, 2019
Right-of-use assets		
Buildings	19,032	18,646
Outdoor facilities	273	313
Vehicles	540	605
	19,845	**19,564**
Lease liabilities		
Short-term	2,545	2,694
Long-term	17,852	17,157
	20,397	**19,851**

The income statement shows the following amounts relating to leases:

€ thousand	Dec 31, 2020	Dec 31, 2019
Depreciation of right-of-use assets		
Buildings	2,844	2,571
Outdoor facilities	40	39
Vehicles	375	405
Total (see also Note 10)	**3,259**	**3,015**
Interest expenses (see also Note 15)	733	618
Expense not included in the measurement of lease liabilities		
For short-term leases	33	86
For leases for low-value assets	39	25

In 2020 lease liabilities gave rise to payments of € 3,634 thousand (previous year: € 3,353 thousand), of which € 2,901 thousand (previous year: € 2,585 thousand) was for the principal portion and € 733 thousand (previous year: € 618 thousand) for the interest portion.

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

€ thousand	Dec 31, 2020
Due within one year	3,182
Due later than one year but less than five years	10,967
Due later than five years	9,984
Total (undiscounted)	**24,133**

22 | OTHER NON-CURRENT ASSETS

Other non-current assets mainly consisted of the asset value of various reinsurance policies in the amount of € 446 thousand (previous year: € 464 thousand), security deposits paid in the amount of € 277 thousand (previous year: € 277 thousand) and other non-current receivables in the amount of € 122 thousand (previous year: € 173 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

The recognised carrying amount totalled € 6,895 thousand (previous year: € 3,644 thousand) and was allocated as follows:

€ thousand	2020	2019
Americium Consortium LLC	1,647	2,697
ZAO NanoBrachyTech	756	676
Nuclear Control & Consulting GmbH	284	271
ZAO Ritverc	750	0
Myelo Therapeutics GmbH	1,408	0
Pentixapharm GmbH	2,050	0

In 2013, Eckert & Ziegler Isotope Products Inc. concluded an agreement with a US partner to establish a joint venture, Americium Consortium LLC. Each of the partners holds 50% of the interests 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 interests have a historical cost of € 2,493 thousand. The Group's share of the profit generated by Americium Consortium LLC in the 2020 financial year amounted to € 0 thousand (previous year: € 0 thousand). The interest measured at equity amounted to € 1,647 thousand as at 31 December 2020 (previous year: € 2,697 thousand). The non-current assets of € 3,289 thousand (previous year: € 5,388 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 2020 the joint venture received repayments in the amount of USD 2,018 thousand, and over the next two years, it will receive additional repayments of USD 2,018 thousand annually, namely a total of USD 4,035 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 interests in Russia-based ZAO NanoBrachyTech (NBT), which in turn wholly owns OOO BEBIG, Moscow/Russia. OOO BEBIG is supplied by Eckert & Ziegler BEBIG GmbH (see also the remarks in Note 43), 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 by supplying OOO BEBIG and accounts for this investment as an associate.

Eckert & Ziegler has for many years held 20% of the interests in ZAO Ritverc, St. Petersburg/Russia, The participation has been recognised at a carrying amount of € 0 thousand, since no reliable financial information about ZAO Ritverc has been provided in the past. According to the most recently available financial statements of ZAO Ritverc as at 31 December 2020, the company generated net profit in the 2020 financial year of € 1,538 thousand (previous year: € 634 thousand), and its equity as at 31 December 2020 amounted to € 3,796 thousand (previous year: € 3,020 thousand). Therefore, in the consolidated financial statements of Eckert & Ziegler AG, the participation in ZAO Ritverc was measured as at 31 December 2020 at the pro rata share of equity in the amount of € 750 thousand. In addition, dividends received in the amount of € 16 thousand were recognised through profit and loss in the 2020 financial year.

In June 2020, Eckert Ziegler Isotope Products Holdings GmbH acquired approximately 15% of the interests in Myelo Therapeutics GmbH, Berlin. In addition, ELSA 2 Beteiligungen GmbH, a related company to Eckert & Ziegler (see note 43), also has a stake of approx. 24% in the company. Through these shareholdings, Eckert & Ziegler is in a position to exercise significant influence over the company. In connection with the participation in Myelo Therapeutics GmbH, pro rata losses in the amount of € 80 thousand were recognised in the 2020 financial year.

Since February 2020, Eckert Ziegler Radiopharma GmbH has held a stake of approximately 37% in Pentixapharm GmbH, Berlin. This is an indirect shareholding based on an option and financing agreement between Eckert & Ziegler Radiopharma GmbH and ELSA Eckert Life Science Accelerator GmbH. Eckert & Ziegler Radiopharma GmbH has assumed the financing expenses in the amount of € 3,000 thousand and in return has an option to acquire option to acquire approximately 37% of the shares in Pentixapharm GmbH. The option can be exercised until 31 December 2021. In accordance with § 3 of the option and financing agreement, Eckert & Ziegler Radiopharma GmbH has assumed ELSA's obligation to pay further milestone-dependent financing contributions on a pro rata basis and thus effectively participates in the earnings of Pentixapharm GmbH. In the 2020 financial year, pro rata losses of € 950 thousand were recognised in connection with the investment in Pentixapharm GmbH.

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, 2020	Dec 31, 2019
Current assets	81	89
Non-current assets	3,289	5,388
Current liabilities	–76	–83
Non-current liabilities	0	0

The assets and liabilities listed above include the following amounts:

€ thousand	Dec 31, 2020	Dec 31, 2019
Cash and cash equivalents	81	89
Current financial liabilities (not including trade payables, other liabilities and provisions)	–76	–83
Non-current financial liabilities (not including trade payables, other liabilities and provisions)	0	0

The joint venture did not generate any significant income or expenses in the 2020 and 2019 financial years. The result was € 0 thousand in 2020 and € 2 thousand in 2019.

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

€ thousand	2020	2019
Net assets of the joint venture	3,294	5,394
Group participation	50%	50%
Carrying amount of the Group participation in the joint venture	**1,647**	**2,697**

b) ZAO NanoBrachyTech

€ thousand	Dec 31, 2020	Dec 31, 2019
Current assets	7,056	3,800
Non-current assets	6,352	5,044
Current liabilities	–1,076	–687
Non-current liabilities	–24	–5

The assets and liabilities listed above include the following amounts:

€ thousand	Dec 31, 2020	Dec 31, 2019
Cash and cash equivalents	3,964	1,285
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	2020	2019
Revenue	6,279	5,424
Net profit for the year from continuing operations	3,379	1,652
After-tax income of discontinued operations	0	0
Net profit for the year	3,379	1,652
Other net income	0	0
Comprehensive income	**3,379**	**1,652**
Dividends received from the joint venture	682	176

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

€ thousand	2020	2019
Scheduled depreciation/amortisation	–136	–50
Interest income	0	0
Interest expenses	–12	0
Income tax expense or income	–387	148

Reconciliation of the presented summary financial information with the carrying amount of the participation in ZAO NanoBrachyTech in the consolidated financial statements:

€ thousand	Dec 31, 2020	Dec 31, 2019
Net assets of the joint venture	12,308	8,152
Group participation	2,687	1,540
unrecognised measurement differences	2,570	–593
Carrying amount of the Group participation in the joint venture	**5,257**	**947**

24 | CASH AND CASH EQUIVALENTS

Cash and cash equivalents of € 87,475 thousand (previous year: € 78,922 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 2020 and 2019, respectively:

€ thousand	2020	2019
Trade receivables	27,237	30,888
less impairment losses	–773	–1,404
As at 31 December	**26,464**	**29,484**

See also disclosures concerning financial instruments under Note 37.

26 | INVENTORIES

Inventories as at 31 December 2020 and 2019 consisted of the following:

€ thousand	2020	2019
Raw materials and consumables	19,760	20,357
Finished goods	9,419	5,614
Work in progress	5,615	6,513
	34,794	**32,484**
less impairment losses	–1,220	–1,264
As at 31 December	**33,574**	**31,220**

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 € 44 thousand (previous year: € 167 thousand).

Work in progress included contract assets in the amount of € 5,520 thousand (previous year: € 132 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 € 5,452 thousand (previous year: € 4,343 thousand) relate to VAT receivables from tax authorities of € 1,282 thousand as at 31 December 2020 (previous year: € 1,557 thousand) as well as prepaid expenses, advance payments and other receivables in the amount of € 4,170 thousand (previous year: € 2,447 thousand).

In the previous year, other current assets also included claims for damages in the amount of € 339 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 provides 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 2020.

In order to prepare for implementation of the letter of intent, Eckert & Ziegler BEBIG GmbH spun off the assets and liabilities concerned to a new company, BEBIG Medical GmbH. These assets and liabilities primarily consist 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.

The first stage calls for the sale of 51% of the interests in BEBIG Medical GmbH. In addition, put and call options were agreed upon for the remaining 49% of the interests. The options can be exercised over a period of five years.

Neither impairment losses nor reversals of impairment losses were recognised in connection with this disposal.

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 10 June 2020, the unappropriated surplus of Eckert & Ziegler AG as calculated in accordance with German commercial law rules, which amounted to € 6.359 thousand as at 31 December 2019, was used to pay a dividend of € 1.70 per share entitled to receive dividends (€ 8,751 thousand). The remaining amount was allocated to other retained earnings (€ 2,490 thousand).

By resolution adopted by the Annual General Meeting held on 10 June 2020, share capital of € 5,292,983 was increased by € 15,878,949 from company funds to € 21,171,932. The capital increase was effected through conversion of a portion of other retained earnings in share capital amounting to € 15,878,949 recognised in the company's annual balance sheet as at 31 December 2019 in exchange for the issuance of 15,878,949 new no-par-value bearer shares ("Free Shares"). The Free Shares are entitled to participate in profit from 1 January 2020. The company's shareholders were entitled to Free Shares based on their shareholding at the ratio of 1:3, meaning that for every one (1) current share, shareholders received three (3) Free Shares. In July 2020, the stock split was carried out at the ratio of 1:3. Thus, as at 31 December 2020, share capital amounted to € 21,172 thousand. It is divided into 21,171,932 (previous year: 5,292,983) no-par-value bearer shares and is fully paid up. The number of shares in circulation (excluding treasury shares) as at 31 December 2020 was 20,589,976.

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 € 9,265 thousand (€ 0.45 per share) to shareholders from the unappropriated surplus of Eckert & Ziegler AG of € 17,446 thousand as calculated in accordance with German commercial law rules for the 2020 financial year and to allocate € 8,181 thousand to retained earnings.

Authorised capital

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 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 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 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 crossed 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 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 fallen below the threshold of 5% of voting rights on 08 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 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 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 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).

In 2019 the following circumstances were required to be disclosed in accordance with the German Securities Trading Act (WpHG):

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 10 January 2019 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 8 January 2019 and amounted to 3.02% on that day (this corresponds to 159,948 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Asset Management (Europa) S.a.r.l., Senningerberg, Luxembourg notified us on 22 February 2019 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 19 February 2019 and amounted to 3.13% on that day (this corresponds to 165,752 voting rights).

Pursuant to Section 33 (1) WpHG, JP Morgan Asset Management (UK) Limited, London, UK notified us on 9 April 2019 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 5 April 2019 and amounted to 5.04% on that day (this corresponds to 266,658 voting rights).

Pursuant to Section 33 (1) WpHG, JPMorgan Funds SICAV, Senningerberg, Luxembourg notified us on 12 April 2019 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 08 April 2019 and amounted to 3.05% on that day (this corresponds to 161,254 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 payments (IFRS 2). In the year under review, € 425 thousand (previous year: € 138 thousand) was recognised as expenses in capital reserves in connection with share-based 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 € –1,366 thousand (previous year: € 3,120 thousand) resulting from the translation of financial statements of foreign subsidiaries. The movements in 2020 and 2019 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 € –4,536 thousand (previous year: € –3,930 thousand), which are to be recognised in other comprehensive income, as well as securities held for sale in the amount of € 162 thousand (previous year: 0 thousand).

Treasury shares

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 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 shall 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 companies as well as to members of the management of affiliated companies and used to service rights or obligations to acquire shares in the company granted to employees of the company and affiliated companies as well as members of the management of affiliated companies. 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.

Eckert & Ziegler AG did not engage in any transactions with treasury shares in the 2020 financial year. In the previous year, Eckert & Ziegler AG transferred 84,329 treasury shares to the former minority shareholders of Eckert & Ziegler BEBIG SA by merging Eckert & Ziegler BEBIG SA into Eckert & Ziegler AG.

As at 31 December 2020, the company held 581,956 treasury shares (previous year 145,489 shares). The number of treasury shares as at 31 December 2020 represented 2.7% (previous year: 2.7%) of the company's share capital. The average number of shares outstanding in the 2020 financial year was 20,589,976 (previous year: 5,133,463).

30 | LOAN LIABILITIES

Loan liabilities for the financial years ended 31 December 2020 and 2019 consisted of the following:

€ thousand	2020	2019
Loan liabilities as at 31 December, total	**6**	**35**
– thereof current	4	16
– thereof non-current	2	19

As at 31 December 2019, the Group had virtually no financial liabilities. The Group did not take out any new loans in the 2020 and 2019 financial years.

Overall, the Group had credit line commitments amounting to € 22,127 thousand. As at 31 December 2020, these commitments totalled € 10,533 thousand for sureties and guarantees.

As at 31 December 2020 and 2019, the contractually agreed residual maturities of loan liabilities were as follows:

€ thousand	2020	2019
Residual maturity of up to 1 year	4	16
Residual maturity of more than 1 year and less than 5 years	2	19
Residual maturity of more than 5 years	0	0
Loan liabilities as at 31 December, total	**6**	**35**

31 | DEFERRED INCOME FROM GRANTS AND OTHER DEFERRED INCOME

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

€ thousand	2020	2019
Deferred grants and other current deferred income	38	45
Deferred non-current grants	1,727	4,128
As at 31 December	**1,765**	**4,173**

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, which are paid to employees by the employer after they have left the company and reached the specified age limit.

In 2020 and 2019, 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 2020 by Longial AG and Allianz Lebensversicherung AG, respectively (as in the previous year).

The most important assumptions underlying the actuarial measurement were:

%	Dec 31, 2020	Dec 31, 2019
Discount rate(s)	0.35 to 0.65	1.0 to 1.05
Expected return on plan assets	1.00	1
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	2020	2019
Present value of defined benefit pension obligations	14,609	13,658
Plan assets measured at fair value	–166	–171
Pension provisions as at 31 December	**14,443**	**13,487**

The amount recognised for pension provisions changed as follows:

€ thousand	2020	2019
Pension provisions as at 1 January	13,487	11,368
Expenses for pension obligations	365	424
Actuarial gains (–)/losses (+)	888	2,004
Disbursements from plan assets	4	0
Income from plan assets	–2	–3
Pension payments	–299	–306
Pension provisions as at 31 December	**14,443**	**13,487**

** before deferred taxes*

Of the actuarial gains (–)/losses (+), € 988 thousand resulted from changes in actuarial assumptions and € –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	2020	2019
Service cost	230	192
Interest expense	135	232
Expected income from plan assets	–2	–3
Total recognised amounts	**363**	**421**

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

€ thousand	2020	2019
Cumulative actuarial gains (–)/losses (+) on 1 January *	3,930	2,561
Addition/disposal *	606	1,369
Cumulative actuarial gains (–)/losses (+) on 31 December *	**4,536**	**3,930**

** 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	2020	2019
Opening balance of plan assets measured at fair value	171	170
Expected income from plan assets	2	3
Actuarial loss	–3	–2
Disbursements from plan assets	–4	0
Closing balance of plan assets measured at fair value	**166**	**171**

Pension payments of € 374 thousand are expected for the 2020 financial year. The weighted average duration of the pension obligations across individual pension plans was between 13 and 22 years.

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

€ thousand	2020	2019	2018	2017	2016
Defined benefit obligation	–14,609	–13,658	–11,538	–11,843	–11,968
Plan assets	166	171	170	168	166
Net obligation	**–14,443**	**–13,487**	**–11,368**	**–11,675**	**–11,802**

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	14,443	
Discount rate –0.25%	15,280	6
Discount rate +0.25%	13,980	–3

33 | OTHER PROVISIONS

The following table provides an overview of the changes in other provisions during the 2020 and 2019 financial years.

€ thousand	2020	2019
Provisions for restoration obligations (non-current)	29,178	24,704
Other provisions (non-current)	26,565	26,736
Other non-current provisions as at 31 December	55,743	51,440
Other provisions (current)	4,062	3,002
Other current provisions as at 31 December	**4,062**	**3,002**

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 2020 and 2019 financial years:

€ thousand	2020	2019
Provisions as at 1 January	24,704	22,119
Additions	9,097	1,775
Disposals	–4,253	0
Utilisation	–114	0
Compounding	87	86
Currency translation	–343	724
Provisions as at 31 December	**29,178**	**24,704**

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 2020 financial year. The adjusted interest rates range from 0.0% to 1.5%. If the previous year's interest rates of 0.0% to 2.2% had been maintained, this would have decreased the provision by € 466 thousand (previous year: € 247 thousand). The Group expects to make restoration payments in the 2021 to 2040 financial years.

Other non-current provisions as at 31 December 2020 mainly consist 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 € 23,870 thousand (previous year: € 24,252 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 € 1,749 thousand (previous year: € 1,577 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 € 405 thousand (previous year: € 364 thousand), provisions for clearance and restoration in the amount of € 301 thousand (previous year: € 303 thousand) and archiving provisions in the amount of € 240 thousand (previous year: € 240 thousand).

Other non-current provisions changed as follows in the 2020 and 2019 financial years:

€ thousand	2020	2019
Provisions as at 1 January	26,736	28,809
Additions	4,987	2,208
Disposals	–1,012	–1,450
Compounding	14	44
Utilisation	–4,123	–2,893
Currency translation	–37	18
Provisions as at 31 December	**26,565**	**26,736**

Other current provisions in the amount of € 4,062 thousand (previous year: € 3,002 thousand) related to the current portion of the disposal of radioactive residual materials.

34 | OTHER NON-CURRENT LIABILITIES

Other non-current liabilities mainly included non-current liabilities from a licence agreement concluded in the 2013 financial year in the amount of € 1,957 thousand (previous year: € 1,957 thousand) and other non-current liabilities in the amount of € 26 thousand (previous year: € 106 thousand).

In addition, the non-current liabilities item in the previous year included an interest rate swap of € 47 thousand. This is a derivative that was recognised as a financial liability at fair value through profit or loss in accordance with IFRS 9.4.2.1 (a). Further information on derivative financial instruments is provided in Note 34. The swap has a residual maturity of less than one year and was therefore recognised in these financial statements under current liabilities.

35 | ADVANCE PAYMENTS RECEIVED

In connection with contracts with customers, Group companies receive advance payments, which are recognised as current liabilities. These are contractual liabilities within the meaning of IFRS 15.116, which will be recognised as revenue in the following year. The advance payments received of € 11,952 thousand recorded as at 31 December 2019 were fully recognised as revenue in the 2020 financial year (previous year: € 4,106 thousand).

36 | OTHER CURRENT LIABILITIES

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

€ thousand	2020	2019
Liabilities from wages and salaries as well as other personnel-related liabilities	7,335	7,548
Liabilities related to social security	268	460
Liabilities to tax authorities	571	1,362
Liabilities under open invoices and other deferred expenses	5,215	5,512
Liabilities under received security deposits	4,400	0
Other liabilities	883	869
As at 31 December	**18,672**	**15,751**

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:

Balance sheet item	Measurement category under IFRS 9*	Dec 31, 2020 Carrying amount	Dec 31, 2020 Fair value	Dec 31, 2019 Carrying amount	Dec 31, 2019 Fair value
ASSETS					
Other non-current assets	AC	362	362	234	234
Other non-current assets	FVTPL	0	0	569	569
Cash and cash equivalents	AC	87,475	87,475	78,922	78,922
Securities	FVTOCI	1,135	1,135	0	0
Trade receivables	AC	26,464	26,464	29,484	29,484
Other current assets	AC	907	907	311	311
		116,343	**116,343**	**109,520**	**109,520**
Thereof total by measurement category	AC	115,208	115,208	108,951	108,951
	FVTPL	0	0	569	569
	FVTOCI	1,135	1,135	0	0
LIABILITIES					
Non-current loan liabilities	AC	2	2	19	19
Other non-current liabilities	AC	1,983	1,976	1,991	1,914
Other non-current liabilities	FVTPL	0	0	119	119
Current loans and financial lease liabilities	AC	4	4	16	16
Trade payables	AC	3,285	3,285	4,487	4,487
Other current liabilities	AC	9,759	9,759	6,381	6,381
Other current liabilities	FVTPL	14	14	0	0
		15,047	**15,040**	**13,013**	**12,936**
Thereof total by measurement category	AC	15,033	15,026	12,894	12,817
	FVTPL	14	14	119	119

* *Abbreviations:*
AC: At amortised cost
FVTPL: At fair value through profit or loss

The interest rate swap recognised at fair value through profit or loss was reported under current (previous year: non-current) liabilities. Market prices at which the swap can be redeemed at all times are determined for this swap.

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 2020 and 31 December 2019 fall under Level 3 of the above measurement categories. The securities (equity instruments of listed companies) fall under level 1 of the valuation hierarchy.

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

- as at 31 December 2020 and 31 December 2019, contingent receivables from the sale of interests 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. A loss of € 1,943 thousand was recognised in the previous year due to the reduced probability of occurrence of the agreed milestones.
- as at 31 December 2019, an 8.7% participation in Myelo Therapeutics GmbH, Berlin. The carrying amount of this participation of € 279 thousand represents the fair value as at 31 December 2019, calculated based on an enterprise value estimate taking into account all available data.

Financial liabilities measured at fair value included the following items:

- derivative financial liabilities arising from an interest rate swap of € 14 thousand as at 31 December 2020 and € 47 thousand as at 31 December 2019; recognised in 2020 under other non-current liabilities (previous year: other current liabilities). Market prices at which the swap can be redeemed at all times are determined for this swap.
- liabilities from contingent consideration arising from acquisitions within the meaning of IFRS 3 in the amount of € 25 thousand as at 31 December 2020 and € 72 thousand as at 31 December 2019, of which € 22 thousand was recognised as current as at 31 December 2019. 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	**2020**	2019
Financial assets measured at amortised cost		
Interest income	211	181
Impairment losses (–)/reversals of impairment losses (+)	–502	–630
Currency gains (+)/currency losses (–)	1,934	914
	1,643	465
Financial assets measured at fair value through profit or loss		
Impairment losses (–)/reversals of impairment losses (+)	0	–1,943
	0	**–1,943**
Financial liabilities measured at amortised cost		
Interest expenses	–147	–165
Currency gains (+)/currency losses (–)	–3,954	–663
	–4,101	**–828**
Financial liabilities measured at fair value through profit or loss		
Interest expenses	–41	–75
Impairment losses (+)/reversals of impairment losses (–)	33	72
	–8	**–3**

Risk analysis

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

Credit risk

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

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

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

Risk exposure

The maximum default risk corresponded to the carrying amount of the trade receivables as at the balance sheet date in the amount of € 26,464 thousand (previous year: € 29,484 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	**2020**	2019
Europe	13,249	17,460
North America	7,267	7,843
Other	6,683	4,181
As at 31 December	**28,199**	**29,484**

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 Eckert Ziegler AG assumes a LGD of 90% and a recovery rate of 10%.

On this basis, the impairment for trade receivables as at 31 December 2020 and 31 December 2019 was determined as follows:

Balance as at 31 December 2020	Expected LGD (portfolio)	Gross trade receivables, in € thousand	Portfolio impairment losses, in € thousand	Individual impairment losses, in € thousand
Receivable 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**		

Balance as at 31 December 2019	Expected LGD (portfolio)	Gross trade receivables, in € thousand	Portfolio impairment losses, in € thousand	Individual impairment losses, in € thousand
Receivables not yet due	0.09%	16,520	–15	0
Past due by 1 to 90 days	0.18%	8,318	–15	0
Past due by more than 90 days	0.36%	6,051	–22	–1,353
		30,889	–52	–1,353
Net trade receivables		**29,484**		

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

€ thousand	2020	2019
As at 1 January	1,404	774
Net additions	–630	630
As at 31 December	**774**	**1,404**

The adjustment of impairment losses to conform with IFRS 9 as at 1 January 2019 did not result in any material changes.

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 at available all times. As part of the Group's financial planning, a liquidity forecast is prepared, which can be used, among other things, to identify additional debt financing needs in advance. The Group generates its financial resources predominantly through its operating activities. As at 31 December 2020, Eckert & Ziegler AG and its subsidiaries also had access to credit lines amounting to € 20,705 thousand (previous year: € 22,127 thousand). Of this amount, € 10,322 thousand (previous year: € 11,594 thousand) was freely available as of 31 December 2020, and € 10,494 thousand (previous year: € 10,533 thousand) was utilised for sureties and guarantees.

As at the balance sheet date, the consolidated balance sheet showed only insignificant liabilities to financial institutions totalling € 6 thousand (previous year: € 35 thousand). In 2020 and 2019, 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 the 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 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, 2020

€ thousand		Carrying amount	Fair value	Cash outflow		
			Total	up to 1 year	2 to 5 years	over 5 years
Loan liabilities	fixed interest rate	6	6	4	2	0
Loan liabilities	variable interest rate	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 rate	14	14	14	0	0
As at 31 December		**15,047**	**15,040**	**13,062**	**1,985**	**0**

ANALYSIS OF THE CONTRACTUALLY AGREED DUE DATES — Dec 31, 2019

€ thousand		Carrying amount	Fair value	Cash outflow		
			Total	up to 1 year	2 to 5 years	over 5 years
Loan liabilities	fixed interest	35	35	16	19	0
Loan liabilities	variable interest	0	0	0	0	0
Trade payables	non-interest bearing	4,487	4,487	4,487	0	0
Other liabilities	non-interest bearing	8,444	8,367	6,381	2,063	0
Derivative financial liabilities	variable interest	47	47	47	0	0
As at 31 December		**13,013**	**12,936**	**10,931**	**2,082**	**0**

Cash outflows for liabilities with a variable interest rate were based on an interest rate of 3.6% in 2020 (previous year: 3.5%).

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 US-based subsidiaries and the export business of the German subsidiaries. This effect is only partially offset by the operating activity of several subsidiaries that buy components and goods mainly in US dollars and then sell the end products mainly in euros.

If necessary, export transactions in foreign currencies are hedged using foreign 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, 2020				Dec 31, 2019			
	USD	GBP	CZK	BRL	USD	GBP	CZK	BRL
Cash and cash equivalents	29,196	404	685	252	19,787	794	524	326
Trade receivables	8,080	461	92	869	8,173	380	238	1,165
Trade payables	–1,928	–12	–49	–169	–820	–42	–123	–219
Balance sheet exposure	**35,348**	**853**	**728**	**952**	**27,140**	**1,132**	**639**	1,272

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, 2020				Dec 31, 2019			
Effect expressed in € thousand	USD	GBP	CZK	BRL	USD	GBP	CZK	BRL
Total comprehensive result	–547	–3	341	86	–2,467	–103	–58	–219

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 5 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 has a maturity of 10 years; a reference amount of € 8,000 thousand was hedged, which has been reduced at the end of each quarter by € 250 thousand starting from 31 December 2013. The Group pays fixed interest of 3.21% on a quarterly basis on the respective reference amount and receives in return variable amounts equivalent to the three-month EURIBOR interest rate on the respective reference amount.

The fair value of the swap transaction is € –14 thousand (previous year: € –47 thousand), and it is 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 to be made by the customer or by the bank are calculated from the measurement day until the end of the contract; then they are 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	2020	2019
Interest-bearing financial assets	635	0
– thereof variable interest rate	0	0
– thereof fixed interest rate	635	0
Interest-bearing financial liabilities	20	82
– thereof variable interest rate	14	47
– thereof fixed interest rate	6	35

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:

	2020		2019	
Effect expressed in € thousand	+ 100 basis points	–100 basis points	+ 100 basis points	–100 basis points
Result from variable-interest financial instruments	11	–11	10	–9

Capital management

Pursuant to Section 92 of the German Stock Corporation Act (AktG), Eckert & Ziegler AG (parent company) is subject to minimum capitalisation in accordance with German stock corporation and commercial law rules. Accordingly, an Extraordinary General Meeting must be called if the sum of the parent company's equity as calculated in accordance with German commercial law rules falls below 50% of the subscribed capital. This did not occur in the 2020 or 2019 financial year.

The Group pursues a conservative investment and borrowing policy geared towards flexibility and maintains a well-balanced investment and financing portfolio. The Group is not subject to any external capital requirements. Ensuring the Group's liquidity and creditworthiness, including guaranteed access to the capital market at all times, and effectively increasing the company value are the main 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 2019.

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 repayment of loans and other financial liabilities, including the repayment of 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.

41 | COMPANY ACQUISITIONS AND DISPOSALS

2020 financial year

In the 2020 financial year, no interests in companies were acquired that are fully consolidated in the consolidated financial statements of Eckert & Ziegler AG. Similarly, no interests in such companies were disposed of.

Acquisition of Medwings S.A. in the 2019 financial year

Effective 24 October 2019, Eckert & Ziegler BEBIG GmbH acquired all shares in Medwings S.A. (Medwings), Lisbon, Portugal. By acquiring the Portuguese distributor, Eckert & Ziegler BEBIG GmbH is continuing its strategy of consolidating the market and strengthening its own market position in Europe.

The purchase price for the shares amounted to € 725 thousand. Costs of € 33 thousand incurred in connection with the acquisition were recognised as an expense under general administrative expenses in the 2020 financial year.

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 at the time 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	647	647
Property, plant and equipment	59	0	59
Inventories	17	0	17
Receivables	278	0	278
Other assets	10	0	10
Bank balances and cash on hand	121	0	121
Liabilities	–242	0	–242
Deferred taxes	0	–165	–165
Net assets	**243**	**482**	**725**
Purchase price	–725	0	–725
Goodwill			**0**

With the acquisition of Medwings, cash and cash equivalents amounting to € 121 thousand were taken over, meaning that the net cash flow from the acquisition amounted to € –604 thousand. In the 2020 financial year, Medwings generated revenue of € 753 thousand and had net income of € 22 thousand. Of this amount, € 186 thousand and € 2 thousand, respectively, was attributable to the period after the acquisition date.

The adjustment of earn-out liabilities under earlier company acquisitions did not result in either income or expenses in the 2020 or 2019 financial year.

42 | OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES AND RECEIVABLES

Under a contract concluded with the landlord of a production building, the landlord (who is also the previous building operator) will cover the costs of restoring the building (decontamination) up to a contractually agreed indexed amount when production ends; the tenant is required to cover the remaining amount. The operator of the facility generally bears the decontamination obligation in accordance with legal regulations The company recognises a provision for building restoration only if and to the extent that the amount estimated for the restoration would exceed the reimbursement claim against the landlord. This was not the case as at 31 December 2019.

In the 2020 financial year, the company concluded an agreement with the landlord under which the landlord agreed to pay the company the estimated decontamination costs in advance and in return, the company agreed to assume the corresponding restoration obligation. In December 2020, the company received the agreed payment and as a result accordingly increased other non-current provisions in the consolidated financial statements. (See also the remarks in Note 33).

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 Eckert & Ziegler Group has organised its activities into three operational reporting units. 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 North America and Europe. Worldwide sales and distribution also takes place from these locations. Following the acquisition of Nuclitec, the largest competitor, at the start of 2009, Eckert & Ziegler has been the global market leader in many products and applications. In addition to other services such as the transport of radioactive substances, the segment also retrieves, processes and conditions low-level radioactive isotope technology waste from hospitals and other facilities. With the acquisition of the companies of the Gamma-Service Group in May 2017, the segment's product portfolio was once again expanded to include isotope technology plant engineering and the construction of blood irradiation equipment as well as further services related to the recycling of isotope technology waste. 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 products are targeted at 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). On the other hand, tumour irradiation equipment based on cobalt-60 or iridium-192 (so-called "afterloaders") and the X-ray therapy equipment of WOLF Medizintechnik GmbH for the treatment of superficial skin tumours and joint diseases, both of which had previously been included in the product range, are being sold and were spun off in part to a separate company in the 2020 financial year.

The segment also includes pharmaceutical-quality radioactive ingredients that play a diagnostic or therapeutic role as part of a medication. The most important items include $^{68}Ge/^{68}Ga$ Generator GalliaPharm®, which enables the sensitive diagnosis of various types of cancers and the therapeutic isotopes yttrium-90, lutetium-177 and phosphorous-23. The former has a number of uses, such as in the production of radioactive embolic agents for the treatment of liver tumours.

Finally, the segment includes a project business directed at global 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 items of the holding company Eckert & Ziegler Strahlen- und Medizintechnik are recognised under "Holding company".

SEGMENT REPORTING

	Isotope Products		Medical		Holding company		Elimination		Total	
€ thousand	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	89,563	105,852	86,576	72,618	0	23	0	0	176,139	178,493
Revenue from other segments	3,962	5,085	284	10	6,668	6,339	–10,915	–11,434	0	0
Total segment revenue	93,525	110,937	86,861	72,628	6,668	6,362	–10,915	–11,434	176,139	178,493
Net income/expense from interests measured at equity	739	48	669	128	–941	0	0	0	467	176
Segment net income/expense before interest and taxes (EBIT)	10,734	15,464	25,247	18,677	–2,250	–2,512	–42	428	33,689	32,056
Interest income/expenses	–581	–621	–297	–54	–108	–133	42	0	–944	–808
Income taxes	–2,390	–4,062	–7,555	–5,075	311	291	0	76	–9,635	–8,769
Net income/expense before non-controlling interests	7,763	10,781	17,395	13,548	–2,047	–2,354	0	503	23,111	22,478

SEGMENT REPORTING

	Isotope Products		Medical		Holding company		Total	
€ thousand	2020	2019	2020	2019	2020	2019	2020	2019
Segmental assets	160,448	175,380	112,846	100,243	122,447	121,940	395,740	397,563
Elimination of interests, participations, and receivables between segments							–103,737	–123,327
Consolidated total assets							292,003	274,236
Segmental liabilities	–88,617	–94,711	–63,108	–54,389	–7,550	–2,967	–159,274	–152,067
Elimination of liabilities between segments							16,190	17,272
Consolidated liabilities							–143,084	–134,795
Participations in associates	4,089	2,945	756	699	2,050	0	6,895	3,644
Investments (not including company acquisitions)	3,634	3,615	4,255	3,288	1,016	310	8,905	–11,078
Scheduled depreciation/amortisation, including right-of-use assets under IFRS 16	–4,937	–5,558	–4,953	–5,053	–1,062	–467	–10,952	–4,834
Impairment losses	0	0	0	0	0	0	0	0
Other material non-cash income (+)/expenses (–)	715	1,541	2,280	–765	–982	–839	2,013	–63

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT, BY REGION

€ thousand	2020	2019
Germany	50,801	55,302
USA	24,352	29,078
Belgium	0	2,973
Other	4,285	4,551
Total	**79,438**	**91,904**

EXTERNAL REVENUE, BY GEOGRAPHIC REGION

	2020		2019	
	€ million	%	€ million	%
Europe	82.4	47	83.4	47
North America	60.5	34	64.9	36
Asia/Pacific	18.2	10	16.9	10
Other	15.0	9	13.3	7
Total	**176.1**	**100**	**178.5**	**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 2020 and 2019 financial years, the Group did not have any individual customers that 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, was well as the Isotope Products and Other segments), Wandlitz, businessman – *On other boards: 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 boards: none*
- **Dr Lutz Helmke** (Member of the Executive Board, responsible for operational issues in the Medical segment), Berlin, PhD in radiochemistry – *On other boards: 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 2020 financial year, the Supervisory Board comprised the following members:

- **Prof Dr Wolfgang Maennig** (Chairman), Berlin, Germany, university professor – *On other supervisory boards: none*
- **Prof Dr Helmut Grothe**, (Deputy Chairman), Wandlitz, Germany, lawyer, professor at the Free University of Berlin – *On other supervisory boards: none*
- **Albert Rupprecht**, Waldthurn, economics graduate, member of the German Bundestag – *On other supervisory boards: none*
- **Dr Edgar Löffler**, Berlin, Germany, medical physicist – *On other supervisory boards: none*
- **Jutta Ludwig**, Hamburg, Germany, economics graduate and sinologist – *On other supervisory boards: none*
- **Frank Perschmann**, Berlin, Germany, engineering graduate – *On other supervisory boards: none*

b) Joint ventures in which the Group is a partner company

In June 2009, Eckert & Ziegler contributed intangible assets to the joint venture ZAO NanoBrachyTech and in exchange received 15% of the interests in the joint venture. Eckert & Ziegler BEBIG SA supplies weak radioactive implants to OOO BEBIG, a wholly-owned subsidiary of the joint venture. The revenue of OOO BEBIG amounted €4,791 thousand in the 2020 financial year (previous year: €3,573 thousand). As at 31 December 2020, the outstanding receivables of Eckert & Ziegler BEBIG GmbH owed by OOO BEBIG amounted to €51 thousand (previous year: €4,868 thousand).

c) Other related parties

- Eckert Wagniskapital und Frühphasenfinanzierung GmbH (EWK), which holds 30.8% of the shares of Eckert & Ziegler AG and whose sole 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 2020 and 2019, 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 membership interests 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 notarially authenticated option agreement with Eckert & Ziegler Radiopharma GmbH (EZR). By way of this contract, Eckert Ziegler Radiopharma GmbH was granted an option to acquire 18,449 membership interests in Pentixapharm GmbH. In return, EZR undertook to assume the financing expenses for those membership interests that are incurred by ELSA in connection with the participation contract with Pentixapharm GmbH, up to an amount of € 3 million. Upon exercise of the option, the agreed purchase price for the membership interests in Pentixapharm GmbH will amount to € 3.3 million, with the financing expenses that have been reimbursed to ELSA up to that time for the option agreement to be offset against the purchase price. Upon exercise of the option, EZR is obligated to assume all contractual rights and obligations that ELSA entered into with respect to Pentixapharm GmbH or members of Pentixapharm GmbH in connection with the participation contract. In June 2020, EZR reimbursed ELSA incurred financing expenses totalling € 3 million. The option to acquire the membership interests can be exercised on or before 31 December 2021.

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. With effect from 1 January 2018, Eckert & Ziegler AG entered into the leases of the other three companies with Eckert Beteiligungen 2 GmbH as general tenant. In the 2020 financial year, rent amounted to € 682 thousand (previous year: € 682 thousand (rent and ancillary expenses)). As at 31 December 2020, 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 € 4,285 thousand (previous year: € 4,868 thousand).

In February 2018, EZAG granted Eckert Wagniskapital and Frühphasenfinanzierung GmbH a liquidity loan in the amount of € 2,500 thousand. The loan had a term until 31 December 2019 and bore an interest rate of 2.95%. In the 2019 financial year, Eckert & Ziegler AG generated interest income of € 68 thousand from the loan. The loan was repaid in full to Eckert & Ziegler AG in two instalments: € 750 thousand on 30 September 2019 and € 1,750 thousand on 31 December 2019.

The balances for related parties of the Eckert & Ziegler Group with respect to receivables, loan receivables, liabilities and loan liabilities for the 2020 and 2019 financial years were as follows:

€ thousand	**2020**	2019
Receivables from related parties	51	72
Liabilities to related parties	4,285	4,868

45 | DISCLOSURES CONCERNING THE REMUNERATION OF MEMBERS OF GOVERNING BODIES

The company's remuneration policy for members of governing bodies is set out in the remuneration report in the combined management report.

Executive Board remuneration

In the 2020 fiscal year, the members of the Executive Board received total compensation of € 1,831 thousand (previous year: € 1,795 thousand). This corresponds to a 2% increase over the previous year. Of this total remuneration, € 981 thousand (previous year: € 969 thousand) was attributable to fixed remuneration components and € 850 thousand (previous year: € 825 thousand) to variable remuneration components.

The following table shows the Executive Board remuneration granted in the financial year and in the previous year.

	Dr Andreas Eckert				Dr Harald Hasselmann				Dr Lutz Helmke			
	Chairman of the Executive Board EZAG				Member of the Executive Board responsible for the Medical segment				Member of the Executive Board responsible for the Medical segment			
	Date appointed: July 3, 1997				Date appointed: January 1, 2017				Date appointed: September 17, 2018			
Amount, in €	2019	**2020**	Min	Max	2019	**2020**	Min	Max	2019	**2020**	Min	Max
Fixed remuneration	438,240	438,240	438,240	438,240	203,600	208,629	208,629	208,629	210,000	210,000	210,000	210,000
Ancillary benefits	38,281	39,787	39,787	39,787	37,338	41,105	41,105	41,105	42,034	43,264	43,264	43,264
Total	**476,521**	**478,027**	**478,027**	**478,027**	**240,938**	**249,734**	**249,734**	**249,734**	**252,034**	**253,264**	**253,264**	**253,264**
Inventor's compensation	0	0	0	0	0	0	0	0	0	0	0	0
Multi-year variable remuneration	500,000	500,000	0	500,000	125,010	150,000	0	250,000	200,000	200,000	0	200,000
Bonus on Group EBIT (5 years)	500,000	500,000	0	500,000	0	0	0	0	0	0	0	0
Bonus on Group net profit for the year, excluding the Medical segment, Therapy area (3 years)	0	0	0	0	100,000	100,000	0	100,000	0	0	0	0
Bonus on net profit for the year, Medical segment, Therapy area (3 years)	0	0	0	0	25,010	50,000	0	150,000	0	0	0	0
Bonus on Group EBT, excluding the Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	50,000	50,000	0	50,000
Bonus on EBT, Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	150,000	150,000	0	150,000
Total	**500,000**	**500,000**	**0**	**500,000**	**125,010**	**150,000**	**0**	**250,000**	**200,000**	**200,000**	**0**	**200,000**
Pension expenses	0	0	0	0	0	0	0	0	0	0	0	0
Total remuneration	**976,521**	**978,027**	**478,027**	**978,027**	**365,948**	**399,734**	**249,734**	**499,734**	**452,034**	**453,264**	**253,264**	**453,264**

The following table shows the Executive Board remuneration paid in the financial year and in the previous year.

	Dr Andreas Eckert				Dr Harald Hasselmann				Dr Lutz Helmke			
	Chairman of the Executive Board EZAG				Member of the Executive Board responsible for the Medical segment				Member of the Executive Board responsible for the Medical segment			
	Date appointed: July 3, 1997				Date appointed: January 1, 2017				Date appointed: September 17, 2018			
Amount, in €	2019	**2020**	Min	Max	2019	**2020**	Min	Max	2019	**2020**	Min	Max
Fixed remuneration	300,000	300,000	300,000	300,000	203,600	208,629	208,629	208,629	210,000	210,000	210,000	210,000
Ancillary benefits	38,281	39,787	39,787	39,787	37,338	41,105	41,105	41,105	42,034	43,264	43,264	43,264
Total	**338,281**	**339,787**	**339,787**	**339,787**	**240,938**	**249,734**	**249,734**	**249,734**	**252,034**	**253,264**	**253,264**	**253,264**
Inventor's compensation	0	0	0	0	0	0	0	0	0	0	0	0
Multi-year variable remuneration	352,347	500,000	0	500,000	125,010	124,985	0	250,000	200,000	200,000	0	200,000
Bonus on Group EBIT (5 years)	352,347	500,000	0	500,000	0	0	0	0	0	0	0	0
Bonus on Group net profit for the year, excluding the Medical segment, Therapy area (3 years)	0	0	0	0	100,000	100,000	0	100,000	0	0	0	0
Bonus on net profit for the year, Medical segment, Therapy area (3 years)	0	0	0	0	25,010	24,985	0	150,000	0	0	0	0
Bonus on Group EBT, excluding the Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	50,000	50,000	0	50,000
Bonus on EBT, Medical segment, Radiopharma area (3 years)	0	0	0	0	0	0	0	0	150,000	150,000	0	150,000
Total	**352,347**	**500,000**	**0**	**500,000**	**125,010**	**124,985**	**0**	**250,000**	**200,000**	**200,000**	**0**	**200,000**
Pension expenses	0	0	0	0	0	0	0	0	0	0	0	0
Total remuneration	**690,628**	**839,787**	**339,787**	**839,787**	**365,948**	**374,719**	**249,734**	**499,734**	**452,034**	**453,264**	**253,264**	**453,264**

1 *The fixed and variable remuneration of the Executive Board members Dr Harald Hasselmann and Dr Lutz Helmke is not included in the personnel expenses of the company, as it is paid through subsidiaries.*
2 *In individual cases, the variable remuneration may be lower or higher than the minimum or maximum amounts shown, because the adjustment of the caps is always cumulative over the term of the contract, and the stated minimum and maximum amounts represent the annual average.*

Under the terms of his contract, the Chairman of the Executive Board, Dr Andreas Eckert, was granted share-based remuneration in addition to the agreed fixed salary. In exchange for his work, Dr Eckert receives 800 shares of Eckert & Ziegler AG per month. After termination of the current Executive Board contract, the company is obliged to provide Dr Eckert with the number of shares of Eckert & Ziegler AG corresponding to the entitlements he has acquired up to that point. The fair value of the entitlements to 9,600 shares granted in total in the 2020 financial year was € 430 thousand as at 31 December 2020 (based on the XETRA closing price of Eckert & Ziegler stock on 30 December 2020 (€ 44.84) without taking future dividends into account).

The recognised variable remuneration for 2020 is based on the final financial statement figures, and this amount will be paid out in 2021. Due to the iteration problem, the provisions for bonuses contained in the balance sheet as at 31 December 2020 may differ slightly.

Pension provisions of € 328 thousand (previous year: € 312 thousand; calculation in both cases in accordance with IFRS) relate to another former member of the Executive Board and, since the end of 2019, his survivors. Pension payments were made to these survivors in the amount of € 19 thousand in the 2020 financial year (previous year: € 32 thousand).

Supervisory Board remuneration

In the 2020 financial year, the members of the Supervisory Board received fixed remuneration of € 126 thousand (previous year: € 108 thousand) and attendance fees of € 29 thousand (previous year: € 28 thousand). This corresponds to a total expenditure of € 155 thousand (previous year: € 136 thousand).

The individual members of the Supervisory Board received the following remuneration:

Name	Position for which remuneration was paid	Fixed remuneration	Attendance fee	Total
€ thousand				
Prof Dr Wolfgang Maennig	Chairman of the Supervisory Board	€ 36 thousand (2019: € 36 thousand)	€ 4 thousand (2019: € 4 thousand)	€ 40 thousand (2019: € 40 thousand)
Prof Dr Helmut Grothe	Deputy Chairman of the Supervisory Board	€ 24 thousand (2019: € 24 thousand)	€ 5 thousand (2019: € 5 thousand)	€ 29 thousand (2019: € 29 thousand)
Albert Rupprecht	Member of the Supervisory Board	€ 15 thousand (2019: € 12 thousand)	€ 5 thousand (2019: € 4 thousand)	€ 20 thousand (2019: € 16 thousand)
Dr Edgar Löffler	Member of the Supervisory Board	€ 18 thousand (2019: € 12 thousand)	€ 5 thousand (2019: € 5 thousand)	€ 23 thousand (2019: € 17 thousand)
Jutta Ludwig	Member of the Supervisory Board	€ 15 thousand (2019: € 12 thousand)	€ 5 thousand (2019: € 5 thousand)	€ 20 thousand (2019: € 17 thousand)
Frank Perschmann	from 29 May 2019: Member of the Supervisory Board	€ 18 thousand (2019: € 7 thousand)	€ 5 thousand (2019: € 2 thousand)	€ 23 thousand (2019: € 9 thousand)
Prof Dr Detlev Ganten	until 29 May 2019: Member of the Supervisory Board	€ 0 thousand (2019: € 5 thousand)	€ 0 thousand (2019: € 3 thousand)	€ 0 thousand (2019: € 8 thousand)

In August 2019, Eckert & Ziegler AG concluded a consultancy agreement with the consultancy firm of a member of the Supervisory Board on standard market terms. In the 2020 financial year, no services were provided under this agreement (previous year: € 7 thousand).

Other than that, no remuneration or benefits were paid to Supervisory Board members for services, in particular consulting or intermediary services, rendered outside of their activities on the Supervisory Board in the year under review.

The Supervisory Board established a remuneration committee, consisting of Dr Edgar Löffler and Frank Perschmann. Other than the remuneration committee, the Supervisory Board did not establish any further committees, including an audit committee or nomination committee. The need to form further committees, in particular an audit committee or a nomination committee, is not considered to be a priority by the Supervisory Board due to the small number of Supervisory Board members and the company's specific circumstances. All the duties of these committees are therefore performed by the Supervisory Board as a whole.

46 | EVENTS AFTER THE BALANCE SHEET DATE

On 24 March 2021, Eckert & Ziegler BEBIG GmbH signed a contract with TCL Healthcare Equipment (TCL), Shanghai, China, for the sale of the business with tumour radiation equipment (HDR). As a first step, it sold TCL 51% of the interests in BEBIG Medical GmbH, to which it had spun off the HDR business. As for the remaining 49% of the interests 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 arrangement on the purchase price 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.

In 2020, the spun-off HDR business generated revenue of approximately € 11 million and in previous years did not constitute a significant share of the Group's net income. Therefore, the company also expects that there will not be any material impact on results from operational business in the future as well. However, it anticipates substantial one-off income in 2021. On account of the fact that conclusion of the contract was close in time to the reporting date, the precise amount of the one-off income could not be calculated with sufficient certainty, since key details were still being negotiated shortly before signature.

In the spring of 2021, the coronavirus pandemic led to a third wave of infections, triggering a further round of restrictions in Western industrialised countries, which are the Group's most important markets. Although, as with earlier restrictions, it did not directly affect EZAG as an organisation, the indirect consequences that resulted from the deferral of demand and the impact of the lockdowns and travel restrictions limited the Group's scope of action. In addition, it cannot be ruled out that coronavirus infection will in future affect the departments of Eckert & Ziegler, leading to temporary forced closures of individual 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.

If supply chains were to collapse, for instance due to suspension of international air traffic for several weeks, the situation would likewise be critical. As a general rule, radioactive raw materials and products cannot be stored for long periods but rather need to be processed and delivered in a timely manner. Here as well, based on the experiences in 2020, the Executive Board is optimistic that supply chains will remain intact even in the event that the restrictions are tightened. However, such events, let alone potential developments relating to the coronavirus, cannot be forecast with certainty. For further details, we refer to the relevant comments in the outlook section of the combined management report.

There were no other events that had a material effect on the Group's net assets, financial position and financial performance.

OTHER DISCLOSURES

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 expenses, amounted to € 404 thousand (previous year: € 321 thousand), of which € 342 thousand (previous year: € 318 thousand) was attributable to the audit of the annual and consolidated financial statements of Eckert & Ziegler AG and its various subsidiaries and € 3 thousand (previous year: € 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, 14 April 2021

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 2020

	Historical cost						
€ thousand	Balance as at 1 Jan 2020	Assets held for sale pursuant to IFRS 5	Additions	Disposals	Reclassi-fications	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	27,498	–888	172	502	–1,021	–1,136	24,123
3 Internally generated intangible assets	9,680	0	1,777	8	1,251	–183	12,517
4 Advance payments	161	0	4	0	–161	0	4
	85,494	**–8,888**	**1,953**	**510**	**69**	**–3,025**	**75,093**
II. Property, plant and equipment							
1 Land and buildings	22,076	0	580	4,495	0	–982	17,179
2 Plant and machinery	56,753	–664	2,064	5,741	205	–1,235	51,382
3 Other plant and equipment	16,118	–109	791	4,197	13	–300	12,316
4 Plants under construction	8,224	0	4,004	1,360	–287	–228	10,353
	103,171	**–773**	**7,439**	**15,793**	**–69**	**–2,745**	**91,230**
	188,665	**–9,661**	**9,392**	**16,303**	**0**	**–5,770**	**166,323**

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 31 Dec 2019**
6,096	0	0	0	0	–95	6,001	32,448	42,059
18,808	1,454	–621	444	–80	–905	18,212	5,911	8,690
8,691	711	0	8	83	–19	9,458	3,059	989
0	0	0	0	0	0	0	4	161
33,595	**2,165**	**–621**	**452**	**3**	**–1,019**	**33,671**	**41,422**	**51,899**
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	8,204	–32	–216	9,453	2,863	3,635
0	0	0	1,360	0	0	0	10,353	8,224
63,167	**5,528**	**–146**	**19,322**	**–3**	**–1,567**	**53,214**	**38,016**	**40,004**
96,762	**7,693**	**–767**	**19,774**	**0**	**–2,586**	**86,885**	**79,438**	**91,903**

CHANGES IN ASSETS AS AT 31 DECEMBER 2019

€ thousand	Historical cost: Balance as at 31 Dec 2018	Additions through company acquisition	Additions	Disposals	Reclassi-fications	Currency translation	Balance as at 31 Dec 2019
NON-CURRENT ASSETS							
I. Intangible assets							
1 Goodwill	47,903	0	0	0	0	252	48,155
2 Acquired intangible assets	27,291	647	858	1,627	164	165	27,498
3 Internally generated intangible assets	9,680	0	0	0	0	0	9,680
4 Advance payments	0	0	161	0	0	0	161
	84,874	**647**	**1,019**	**1,627**	**164**	**417**	**85,494**
II. Property, plant and equipment							
1 Land and buildings	21,473	0	194	15	224	200	22,076
2 Plant and machinery	53,046	58	3,235	245	438	221	56,753
3 Other plant and equipment	15,109	0	1,456	488	0	41	16,118
4 Plants under construction	5,478	0	3,608	46	–826	10	8,224
	95,106	**58**	**8,493**	**794**	**–164**	**472**	**103,171**
	179,980	**705**	**9,512**	**2,421**	**0**	**889**	**188,665**

Depreciation/amortisation							Residual carrying amounts	
Balance as at 31 Dec 2018	Additions	Impair-ment losses	Disposals	Reclassi-fications	Currency translation	**Balance as at 31 Dec 2019**	**Balance as at 31 Dec 2019**	**Balance as at 31 Dec 2018**
6,075	0	0	0	0	21	6,096	42,059	41,828
18,586	1,705	0	1,627	0	141	18,808	8,690	8,705
7,694	997	0	0	0	0	8,691	989	1,986
0	0	0	0	0	0	0	161	0
32,355	**2,702**	**0**	**1,627**	**0**	**162**	**33,595**	**51,899**	**52,519**
10,750	793	0	15	0	101	11,642	10,434	10,723
35,825	3,263	0	245	0	156	39,042	17,711	17,221
11,600	1,304	0	488	0	26	12,483	3,635	3,509
0	0	0	46	0	0	0	8,224	5,478
58,175	**5,360**	**0**	**794**	**0**	**283**	**63,167**	**40,004**	**36,931**
90,530	**8,062**	**0**	**2,421**	**0**	**445**	**96,762**	**91,903**	**89,450**

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 2020, 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 2020 to 31 December 2020, 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 2020 to 31 December 2020. 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 2020, and of its financial performance for the financial year from 1 January 2020 to 31 December 2020, 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 2020 to 31 December 2020. 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 2020, the goodwill in the amount € 32.4 million (11.2% 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.

Audit Approach 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 2020, the item "Other non-current provisions" of € 55.7 million includes € 29.2 million of provisions for restoration obligations. In addition, € 26.6 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 € 4.1 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.

Audit Approach 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 separately published consolidated non-financial statement referred to in Section 5.1 of the combined management report,
- the separately published consolidated statement on corporate governance referred to in Section 5.4 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 IN ACCORDANCE WITH § 317 (3B) HGB ON THE ELECTRONIC REPRODUCTION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES

Reasonable Assurance Opinion

We have performed assurance work in accordance with § 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached electronic file [EZAG_KA20_ESEF.zip: 99085f0064a3ba782204a25f8528ede8e90e7deb540a91ac51002a83bd768939] 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 only extends 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 this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2020 to 31 December 2020 contained in the "AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND ON THE COMBINED MANAGEMENT REPORT" above.

Basis for the Reasonable Assurance Opinion

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned attached electronic file in accordance with § 317 (3b) HGB and the Exposure Draft of IDW Assurance Standard: Assurance in Accordance with § 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Accordingly, our responsibilities are further described below in the "AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS" section. Our audit firm has applied 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 including the electronic reproduction 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 control as they have determined 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 executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited combined management report as well as other documents to be published to the operator of the Federal Gazette.

The supervisory board is responsible for overseeing the preparation of 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 that 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 opinions.
- 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 electronic file containing the ESEF documentation meets the require-ments of the Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file applicable at the reporting date.
- Evaluate whether the ESEF documents enable a XHTML reproduction 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) enables an appropriate and complete machine-readable XBRL copy of the XHTML formatted information.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the consolidated general meeting on 10 June 2020. We were engaged by the supervisory board 16 December 2020. 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).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Alexey Nekhin.

Berlin, 14 April 2021

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 2020

		2019 € thousand	**2020** € thousand
1	Revenues	6,882	7,394
2	Other operating income	901	4,490
		7,783	**11,884**
3	Personnel expenses		
a)	Wages and salaries	– 3,221	– 4,008
b)	Social insurance contributions and expenses for pensions and other employee benefits	– 389	– 450
	thereof for pensions: € 14 thousand (previous year: € 1 thousand)		
		– 3,610	**– 4,458**
4	Amortisation/depreciation of intangible non-current assets and property, plant and equipment	– 454	– 443
5	Other operating expenses	– 11,223	– 5,514
6	Income from profit transfer agreements	18,909	18,742
7	Income from participations	5,168	2,809
	thereof from affiliated companies: € 2,800 thousand (previous year: € 5,168 thousand)		
8	Other interest and similar income	80	38
9	Interest and similar expenses	– 90	– 74
10	Income taxes	– 5,322	– 5,538
11	Net income after taxes	11,241	17,446
12	**Net profit for the year**	**11,241**	**17,446**
13	Profit carried forward from the previous year	0	0
14	Balance Sheet profit	11,241	17,446
	Appropriation of balance sheet profit:		
15	Balance sheet profit	11,241	17,446
16	Dividend*	– 8,751	– 9,265
17	Allocation to retained earnings*	– 2,490	– 8,181
18	**Profit carried forward to the following year**	**0**	**0**

** subject to the approval of the shareholders*

BALANCE SHEET AS OF DECEMBER 31, 2020

	Dec 31, 2019 € thousand	Dec 31, 2020 € thousand
Assets		
A. Non-current assets		
I. Intangible assets		
1 Self-created industrial property rights and similar rights	0	877
2 Licenses acquired against payment, industrial property rights and similar rights and as-sets, as well as licenses for such rights and assets	533	503
3 Advance payments made	161	0
	694	**1,380**
II. Property, plant and equipment		
1 Land, land-type rights and buildings	177	13
2 Other plant and equipment	598	356
	775	**369**
III. Financial assets		
1 Interests in affiliated companies	77,863	75,363
2 Participations	681	681
	78,544	**76,044**
	80,013	**77,793**
B. Current assets		
I. Receivables and other assets		
1 Trade receivables	497	11
2 Receivables from affiliated companies	17,097	22,862
3 Other assets	1,844	529
	19,438	**23,402**
II. Securities classified as current assets	0	902
III. Balances with financial institutions	5,851	4,720
	25,289	**29,024**
C. Prepaid expenses	**216**	**248**
	105,518	**107,065**
Liabilities		
A. Equity		
I. Subscribed capital	5,293	21,172
less treasury shares	–145	–582
Issued capital	5,148	20,590
II. Capital reserves	55,244	55,244
III. Retained earnings		
other retained earnings	22,520	9,567
IV. Unappropriated surplus	11,241	17,446
	94,152	**102,847**
B. Special item for allocations to non-current assets	**94**	**75**
C. Provisions		
1 Provisions for pensions and similar obligations	269	271
2 Tax provisions	3,722	903
3 Other provisions	5,985	2,322
	9,976	**3,496**
D. Liabilities		
1 Trade payables	199	443
2 Liabilities to affiliated companies	959	111
3 Other liabilities	122	77
(thereof for taxes: € 68 thousand; previous year: € 76 thousand)		
(thereof in connection with social security: € 5 thousand; previous year: € 2 thousand)		
	1,280	**631**
E. Deferred income	**16**	**16**
	105,518	**107,065**

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 ^{68}Ga) 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

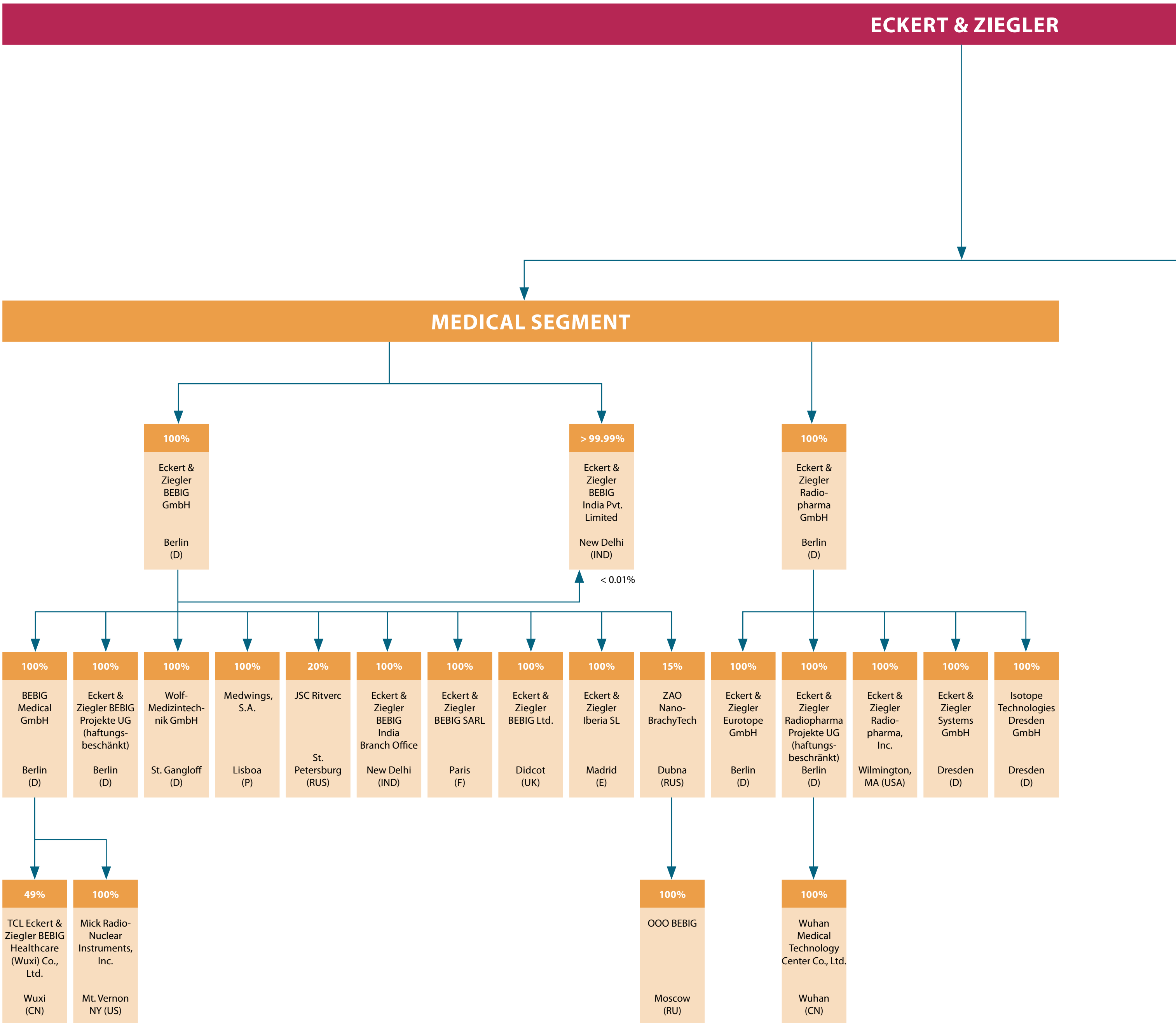
Tracer A radiochemical tracer is a radiolabeled substance that is absorbed into the metabolism after it enters the body and can be used for a wide range of analyses

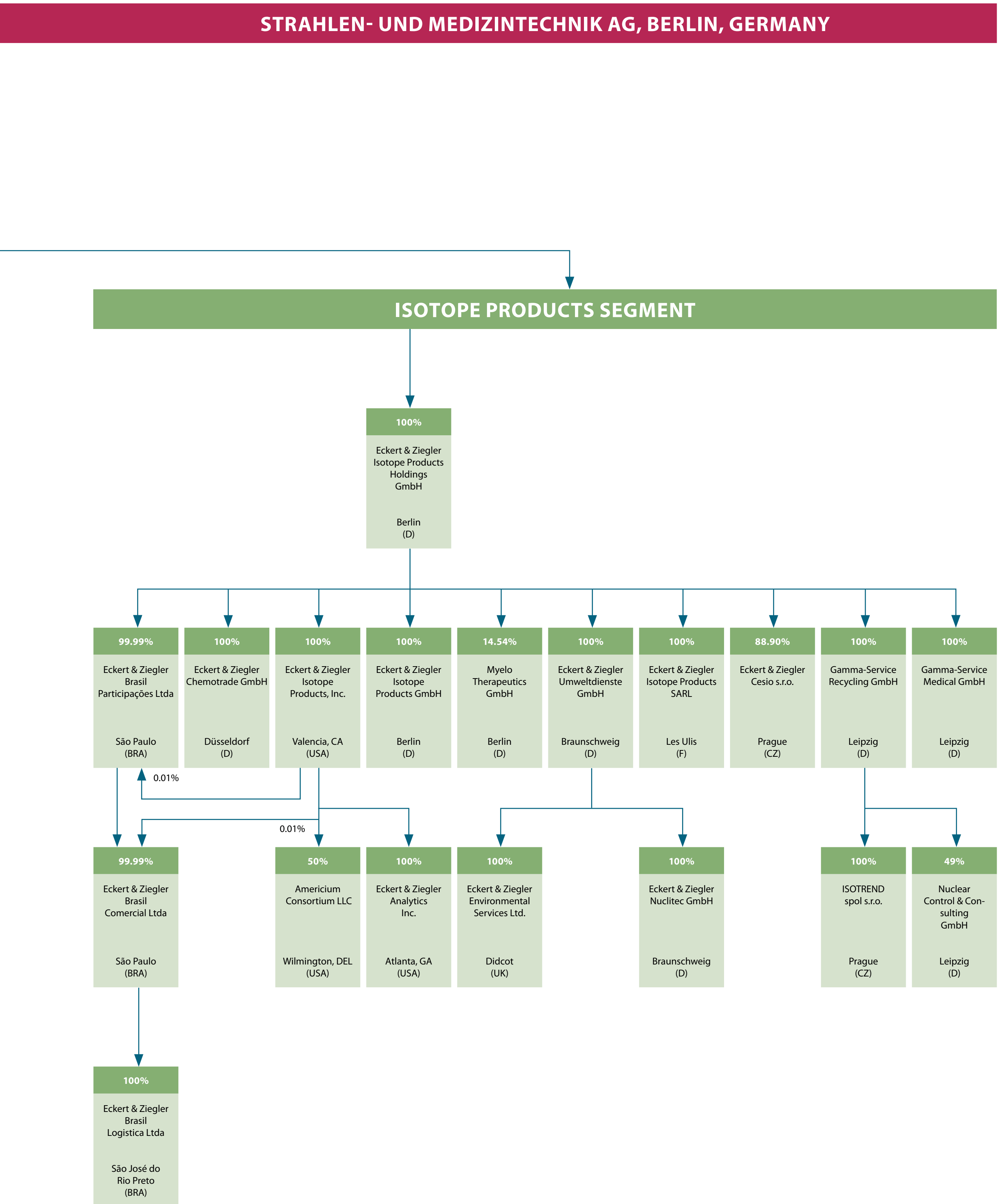
Tumor irradiation device See Afterloader

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, 2021)




STRAHLEN- UND MEDIZINTECHNIK AG, BERLIN, GERMANY
ISOTOPE PRODUCTS SEGMENT
100% Eckert & Ziegler Isotope Products Holdings GmbH Berlin (D)
99.99% Eckert & Ziegler Brasil Participações Ltda São Paulo (BRA)
100% Eckert & Ziegler Chemotrade GmbH Düsseldorf (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 Braunschweig (D)
100% Eckert & Ziegler Isotope Products SARL Les Ulis (F)
88.90% Eckert & Ziegler Cesio s.r.o. Prague (CZ)
100% Gamma-Service Recycling GmbH Leipzig (D)
100% Gamma-Service Medical GmbH Leipzig (D)
0.01%
0.01%
99.99% Eckert & Ziegler Brasil Comercial Ltda São 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 Braunschweig (D)
100% ISOTREND spol s.r.o. Prague (CZ)
49% Nuclear Control & Consulting GmbH Leipzig (D)
100% Eckert & Ziegler Brasil Logistica Ltda São José do Rio Preto (BRA)

FINANCIAL CALENDAR

May 17, 2021	Quarterly Report I/2021
June 02, 2021	Annual General Meeting (virtual)
August 12, 2021	Quarterly Report II/2021
November 09, 2021	Quarterly Report III/2021

Subject to changes

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KEY DATA

		Change	2017**	2018	2019	2020
Sales and Earnings						
Sales	€ million	–1%	137.9	144.8	178.5	176.1
EBITDA	€ million	–3%	23.7	29.7	43.2	44.7
Depreciations	€ million	–1%	8.7	8.6	11.1	11.0
EBIT	€ million	+5%	14.9	21.0	32.1	33.7
EBIT margin	%	+6%	11	15	18	19
Tax rate	%	+4%	30	31	28	29
Net profit for the year after taxes and minorities	€ million	+4%	9.5	14.7	22.0	22.9
Earnings per share	€	+4%	1.81	2.78	1.07	1.11
Cash Flow						
Cash flow from operating activities	€ million	–9%	19.8	26.8	40.4	36.8
Liquid assets as of 31 December	€ million	+11%	36.5	57.7	78.9	87.5
Balance						
Shareholders' equity	€ million	+7%	110.0	117.5	139.4	148.9
Total assets	€ million	+6%	199.4	216.9	274.2	292.0
Equity ratio	%	0%	55	54	51	51
Net liquidity (liquidity minus debts)	€ million	+18%	24.9	55.9	59.0	69.8
Employees						
Average number of employees	People	+3%	638	740	778	798
Number of employees as of 31 December	People	0%	668	764	825	828
Key figures share						
Average number of shares in circulation	Item in million	0%	20.5	20.5	20.5	20.6
Book value per share as of 31 December	€	+6%	4.97	5.31	6.80	7.23
Dividend*	€	+7%	0.17	0.20	0.42	0.45*

** Dividend to be proposed to the Annual General Meeting by the Group*
*** including discontinued operations*
The figures for the previous year have been adjusted retrospectively to reflect the share split which was carried out in the 3rd quarter of 2020.

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