

Leading Vision.



# QUARTERLY FINANCIAL REPORT

for the period from  
1 January to 30 September 2024

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## Quarterly Financial Report for the period from 1 January to 30 September 2024

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Rounding may mean that individual figures in this report do not add up exactly to the given total and that percentages are not the exact result of the figures presented.

The quarterly financial report has not been audited. It was prepared on the basis of the accounting regulations used in the most recent consolidated financial statements. The quarterly report contains statements and information made by STEMMER IMAGING AG that pertain to future periods. These forward-looking statements are estimates made on the basis of all information available at the time the quarterly report was prepared. If the assumptions underlying the forecasts prove to be incorrect, actual developments and results may differ from what is currently expected. The company is under no obligation to update the statements contained in this report other than as required by the laws on publications.

# Consolidated interim management report

## Net assets, financial position and results of operations

### Net assets

The total assets of the STEMMER IMAGING Group amounted to EUR 88.69 million as at 30 September 2024, a decline compared to 31 December 2023 (EUR 104.40 million). On the assets side of the statement of financial position, this decrease is mainly attributable to the reduction in current assets.

Non-current assets increased to EUR 31.91 million as at 30 September 2024 (31 December 2023: EUR 31.06 million). The increase is attributable to the addition of goodwill and intangible assets due to the purchase price allocation of Phase 1 Technology Corp. in the amount of EUR 2.29 million. This is offset by current depreciation and amortisation of property, plant and equipment and intangible assets, including right-of-use assets from leases in accordance with IFRS 16.

Inventories decreased to EUR 10.68 million in the third quarter of the 2024 fiscal year (31 December 2023: EUR 12.72 million).

Trade receivables declined to EUR 15.89 million in the third quarter of the 2024 fiscal year (31 December 2023: EUR 20.83 million).

Cash and cash equivalents decreased by EUR 10.33 million to EUR 27.24 million as at 30 September 2024 (31 December 2023: EUR 37.57 million), which can primarily be attributed to the dividend payment of EUR 17.55 million and the purchase price payment for Phase 1 Technology Corp. in the amount of EUR 2.64 million.

Equity amounted to EUR 66.62 million as at 30 September 2024 (31 December 2023: EUR 80.49 million), which corresponds to an equity ratio of 75.1% (31 December 2023: 77.1%).

Non-current liabilities declined to EUR 5.66 million as at 30 September 2024 (31 December 2023: EUR 5.98 million). A reduction in lease liabilities according to IFRS 16 and in non-current other provisions were the key factors in the decline.

Current liabilities fell from EUR 17.94 million as at 31 December 2023 to EUR 16.41 million as at 30 September 2024. This reduction is mainly due to the repayment of the current portion of a bank loan in the amount of EUR 1.50 million.

## Financial position

The objective of the Group's financial management is to hedge material financial risks. Use is made of discounts wherever possible when settling supplier invoices. The company's solvency was assured at all times.

Operating cash flow amounted to EUR 13.50 million in the first nine months of the 2024 fiscal year (1 January to 30 September 2023: EUR 15.83 million). Cash flow was significantly impacted by the year-on-year decline in operating earnings. This is offset by measures to reduce working capital, which had an increasing effect.

Cash flow from investing activities amounted to EUR – 3.23 million (1 January to 30 September 2023: EUR – 1.02 million). The variance can mainly be attributed to the completion of the acquisition of Phase 1 Technology Corp. (EUR 2.82 million) as well as minor investments in tangible assets and intangible assets.

The cash flow from financing activities in the amount of EUR – 20.56 million (1 January to 30 September 2023: EUR – 22.41 million) is largely determined by the dividend payment of EUR 2.70 per dividend-bearing share. Other significant factors were scheduled repayments on bank loans and finance lease liabilities totalling EUR 2.91 million (1 January to 30 September 2023: EUR 2.94 million).

## Results of operations

The STEMMER IMAGING Group's revenue decreased by 37.5 per cent year on year to EUR 21.64 million in the third quarter of 2024 (1 July to 30 September 2023: EUR 34.60 million). Revenue of EUR 79.95 million was generated in the reporting period as a whole, which corresponds to a 29.2% decline in revenue compared to the first nine months of the 2023 fiscal year (1 January to 30 September 2023: EUR 112.97 million). The decline in revenue can be attributed to the weak economic situation, which led to drops in revenue across markets and regions.

The cost of materials in the amount of EUR 12.88 million (1 July to 30 September 2023: EUR 21.32 million) was lower than in the prior-year period due to the lower revenue and higher gross profit margin of 40.5 per cent (1 July to 30 September 2023: 38.4 per cent). The gross profit margin for the first nine months of 2024 was up year on year at 40.1 per cent (1 January to 30 September 2023: 39.2%).

Personnel expenses came to EUR 4.72 million in the third quarter of 2024 (1 July to 30 September 2023: EUR 6.50 million). Personnel expenses for the first nine months of the 2024 fiscal year came to EUR 16.06 million (1 January to 30 September 2023: EUR 19.10 million). The personnel expense ratio rose from 16.9 per cent in the same period of 2023 to 20.1 per cent in the first three quarters of the 2024 fiscal year. The average number of employees stood at 270 during the reporting period (1 January to 30 September 2023: 304).

The normalised other operating expenses amounted to EUR 1.93 million in the third quarter of 2024 (1 July to 30 September 2023: EUR 1.76 million). This increase is mainly due to the negative result from foreign currency valuation in the amount of minus EUR 0.1 million (1 July to 30 September 2023: plus EUR 0.24 million). The normalised other operating expenses decreased year on year in the reporting period to EUR 6.07 million (1 January to 30 September 2023: EUR 7.34 million).

The normalised operating result of the third quarter of 2024 (EBITDA) came to EUR 2.46 million (EBITDA margin: 11.4 per cent), a decrease compared to the figure from the same period of the previous year of EUR 5.68 million (EBITDA margin: 16.4 per cent). The normalised EBIT amounted to EUR 1.57 million in the third quarter of the fiscal year (1 July to 30 September 2023: EUR 3.82 million).

The STEMMER IMAGING Group's normalised consolidated net income for the third quarter of the 2024 fiscal year was EUR 1.78 million (1 July to 30 September 2023: EUR 2.70 million).

In the first nine months of the 2024 fiscal year, the normalised operating result (EBITDA) stood at EUR 11.55 million (EBITDA margin: 14.5 per cent), a decrease compared to the previous year's figure of EUR 19.89 million (EBITDA margin: 17.6 per cent). The main factor influencing the reduction compared to the previous year is the decline in revenue, which could only be compensated for to a partial extent by the increased gross margin and the lower cost level.

At EUR 8.79 million, the normalised EBIT in the first nine months of 2024 was below the prior-year period (EUR 16.01 million). At 11.0%, the normalised EBIT margin was also below the previous year's figure of 14.2%. The normalised consolidated net income of the STEMMER IMAGING Group for the reporting period from January to September 2024 was EUR 6.88 million (1 January to 30 September 2023: EUR 11.49 million).

In order to facilitate comparison, the costs associated with the takeover by MiddleGround Capital were normalised in the reporting period, as these are not attributable to operating activities.

## Report on expected developments

In the third quarter of 2024, the global economy as a whole performed weakly and was not very dynamic, which can be attributed to several factors. Although inflation showed a downward trend, the persistently high interest rates led to higher financing costs for companies and dampened investment.

The International Monetary Fund (IMF) expects global growth to remain largely stable at a low level of 3.2 per cent in 2024, differing only slightly from the previous year's figure of 3.3 per cent. Global inflation is expected to fall from an annual average of 6.7 per cent in 2023 to 5.8 per cent in 2024.

Preliminary estimates by Eurostat, the statistical office of the European Union, state that gross domestic product (GDP) in the EU increased by 0.3 per cent in the third quarter compared to the previous quarter. In the second quarter, GDP had increased by 0.2 per cent. Based on its most recent forecast, the European Commission expects growth of 1 per cent for 2024 as a whole.

The German economy continued to be adversely affected by the ongoing difficulties in the global economic environment in the third quarter. According to calculations by the German Federal Statistical Office, Germany's GDP in the third quarter of 2024 remained largely constant in real terms at +0.2 per cent, primarily driven by public and private consumer spending. The ifo Institute predicts a real GDP decline of 0.1 per cent in Germany for 2024 compared to the previous year.

As previously announced in the ad-hoc disclosure dated November 12, it is currently not possible to reliably assess further developments due to high market uncertainty. For this reason, STEMMER IMAGING cannot either adjust or confirm its previous forecast for the 2024 fiscal year.

# Consolidated statement of financial position as at 30 September 2024

Assets in KEUR	30/09/2024	31/12/2023
<b>Non-current assets</b>		
Property, plant and equipment	4,822	6,247
Goodwill	20,867	19,378
Other intangible assets	4,980	4,878
Other financial assets	210	209
Deferred tax assets	1,035	347
<b>Total Non-current assets</b>	<b>31,914</b>	<b>31,059</b>
<b>Current assets</b>		
Inventories	10,683	12,720
Trade receivables	15,892	20,830
Other financial assets	200	121
Income tax receivables	1,787	515
Other assets and prepaid expenses	979	1,589
Cash and cash equivalents	27,238	37,570
<b>Total current assets</b>	<b>56,779</b>	<b>73,345</b>
<b>Total assets</b>	<b>88,693</b>	<b>104,404</b>

<b>Equity and Liabilities</b> in KEUR	<b>30/09/2024</b>	<b>31/12/2023</b>
<b>Capital and reserves</b>		
Subscribed capital	6,500	6,500
Capital reserves	47,495	47,495
Revenue reserves	12,627	26,490
<b>Total equity</b>	<b>66,622</b>	<b>80,485</b>
<b>Non-current liabilities</b>		
Provisions for pensions and similar obligations	71	71
Trade payables	121	121
Other financial liabilities	4,024	4,140
Other liabilities	570	543
Other provisions	153	275
Deferred tax liabilities	725	827
<b>Total non-current liabilities</b>	<b>5,664</b>	<b>5,977</b>
<b>Current liabilities</b>		
Current loans	0	1,500
Other provisions	83	91
Trade payables	10,505	8,290
Advance payments received on orders	306	218
Liabilities to affiliated companies	41	0
Other financial liabilities	1,384	2,151
Income tax liabilities	1,178	1,191
Other liabilities	2,910	4,501
<b>Total current liabilities</b>	<b>16,407</b>	<b>17,942</b>
<b>Total liabilities</b>	<b>22,071</b>	<b>23,919</b>
<b>Total assets</b>	<b>88,693</b>	<b>104,404</b>



# Consolidated income statement

## Development from 1 January to 30 September 2024

in KEUR

	<u>01/01 – 30/09/2024</u>	<u>01/01 – 30/09/2023</u>	<u>01/07 – 30/09/2024</u>	<u>01/07 – 30/07/2023</u>
Revenue	79,951	112,972	21,639	34,598
Cost of materials	-47,900	-68,699	-12,884	-21,324
<b>Gross profit</b>	<b>32,051</b>	<b>44,273</b>	<b>8,755</b>	<b>13,274</b>
Other operating income	1,626	2,066	346	662
Personnel expenses	-16,056	-19,104	-4,717	-6,495
Other operating expenses	-9,015	-7,343	-4,872	-1,757
<b>EBITDA</b>	<b>8,606</b>	<b>19,892</b>	<b>-488</b>	<b>5,684</b>
Depreciation and impairment of property, plant and equipment	-1,808	-2,032	-554	-641
<b>EBITA</b>	<b>6,798</b>	<b>17,860</b>	<b>-1,042</b>	<b>5,043</b>
Amortisation of intangible assets	-952	-1,855	-333	-1,222
<b>Operating earnings (EBIT)</b>	<b>5,846</b>	<b>16,005</b>	<b>-1,375</b>	<b>3,821</b>
Finance income	32	15	22	11
Finance costs	-121	-104	-35	-47
<b>Profit before income taxes</b>	<b>5,757</b>	<b>15,916</b>	<b>-1,388</b>	<b>3,785</b>
Taxes on income	-1,823	-4,423	216	-1,083
<b>Consolidated net income</b>	<b>3,934</b>	<b>11,493</b>	<b>-1,172</b>	<b>2,702</b>
Of which:				
Shareholders of the parent company	3,934	11,493	-1,172	2,702
Number of shares (weighted average)	6,500,000	6,500,000	6,500,000	6,500,000
Earnings per share in EUR (diluted and basic)	0.61	1.77	-0.18	0.42

# Consolidated statement of comprehensive income

Development from 1 January to 30 September 2024

in KEUR

	<u>01/01 – 30/09/2024</u>	<u>01/01 – 30/09/2023</u>
<b>Consolidated net income</b>	<b>3,934</b>	<b>11,493</b>
<b>Other comprehensive income</b>		
Items that will be reclassified to profit or loss in future under certain conditions		
Exchange differences that arose during the reporting period	- 247	- 92
Other comprehensive income after income taxes	- 247	- 92
<b>Total comprehensive income</b>	<b>3,687</b>	<b>11,401</b>
Of which:		
Shareholders of the parent company	3,687	11,401

# Consolidated statement of cash flows

## Development from 1 January to 30 September 2024

in KEUR

	01/01 – 30/09/2024	01/01 – 30/09/2023	01/07 – 30/09/2024	01/07 – 30/09/2023
<b>Cash flow from operating activities</b>				
Consolidated net income	3,934	11,493	-1,172	2,702
Income tax expense recognised in profit or loss	1,823	4,423	-216	1,083
Finance costs/income recognised in profit or loss	89	89	13	36
Amortisation and depreciation of intangible assets, property, plant and equipment and investment securities	2,759	3,887	886	1,863
Increase (+)/decrease (-) in provisions	-3	47	-53	25
Other non-cash expenses/income	-219	-219	-78	-35
Increase (-)/ decrease (+) in inventories, trade receivables and other assets	8,509	6,101	3,437	5,605
Increase (+)/ decrease (-) in liabilities and other liabilities	573	-1,829	-3,494	-1,605
Interest received	32	15	22	11
<b>Cash flow from operating activities/used in operating activities</b>	<b>17,497</b>	<b>24,007</b>	<b>-655</b>	<b>9,685</b>
Income taxes paid	-3,993	-8,181	-1,332	-2,127
<b>Net cash flow from operating activities/used in operating activities</b>	<b>13,504</b>	<b>15,826</b>	<b>-1,987</b>	<b>7,558</b>
<b>Cash flow from investing activities</b>				
Payments for intangible assets	-367	-552	-43	-181
Proceeds from disposals of property, plant and equipment	11	0	11	-36
Payments for investments in property, plant and equipment	-55	-460	-10	-108
Payments for investments in financial assets	0	-3	0	-3
Cash outflow for addition to the consolidated group less cash and cash equivalents acquired	-2,823	0	0	0
<b>Net cash flow used in investing activities</b>	<b>-3,234</b>	<b>-1,015</b>	<b>-42</b>	<b>-328</b>

**Development from 1 January to 30 September 2024**

in KEUR

	<b>01/01 – 30/09/2024</b>	<b>01/01 – 30/09/2023</b>	<b>01/07 – 30/09/2024</b>	<b>01/07 – 30/09/2023</b>
<b>Cash flow from financing activities</b>				
Repayment of loans	- 2,908	- 2,939	- 955	- 955
Proceeds from grants received	16	135	6	46
Dividends paid to shareholders of the parent company	- 12,172	- 13,474	0	0
Dividends paid on free float shares	- 5,378	- 6,026	0	0
Interest paid	- 121	- 104	- 35	- 47
<b>Net cash flow used in financing activities</b>	<b>- 20,563</b>	<b>- 22,408</b>	<b>- 984</b>	<b>- 956</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>- 10,293</b>	<b>- 7,597</b>	<b>- 3,013</b>	<b>6,274</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>37,570</b>	<b>41,574</b>	<b>30,261</b>	<b>27,651</b>
Changes in cash due to exchange rate movements and remeasurement	- 39	- 74	- 10	- 22
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>27,238</b>	<b>33,903</b>	<b>27,238</b>	<b>33,903</b>
Of which cash in hand and bank balances	27,238	33,903	27,238	33,903

# Consolidated statement of changes in equity

From 1 January to 30 September 2023

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
<b>As at 1 January 2023</b>	<b>6,500</b>	<b>47,495</b>	<b>30</b>	<b>- 210</b>	<b>30,264</b>	<b>30,084</b>	<b>84,079</b>
Consolidated net income	0	0	0	0	11,493	11,493	11,493
Dividends paid to shareholders of the parent company	0	0	0	0	-13,474	-13,474	-13,474
Dividends paid on free float shares	0	0	0	0	-6,026	-6,026	-6,026
Other comprehensive income	0	0	0	-92	0	-92	-92
<b>As at 30 September 2023</b>	<b>6,500</b>	<b>47,495</b>	<b>30</b>	<b>- 302</b>	<b>22,257</b>	<b>21,985</b>	<b>75,980</b>

From 1 January to 30 September 2024

in KEUR

	Subscribed capital	Capital reserves	Revenue reserves			Total	Total
			Reserve for actuarial gains/losses	Currency translation reserve	Other revenue reserve		
<b>As at 1 January 2024</b>	<b>6,500</b>	<b>47,495</b>	<b>28</b>	<b>- 32</b>	<b>26,494</b>	<b>26,490</b>	<b>80,485</b>
Consolidated net income	0	0	0	0	3,934	3,934	3,934
Dividends paid to shareholders of the parent company	0	0	0	0	-12,172	-12,172	-12,172
Dividends paid on free float shares	0	0	0	0	-5,378	-5,378	-5,378
Other comprehensive income	0	0	0	-247	0	-247	-247
<b>As at 30 September 2024</b>	<b>6,500</b>	<b>47,495</b>	<b>28</b>	<b>- 279</b>	<b>12,878</b>	<b>12,627</b>	<b>66,622</b>

# Financial calendar<sup>1</sup>

Wednesday  
**13/11**  
2024

Publication of  
Q3/9M 2024  
interim report

<sup>1</sup> Dates may change at short notice.

# Publication details

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The STEMMER IMAGING AG quarterly report is available in German and English.  
The German version is legally binding.

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