



Quarterly Statement

9M 2024

Brockhaus Technologies at a glance

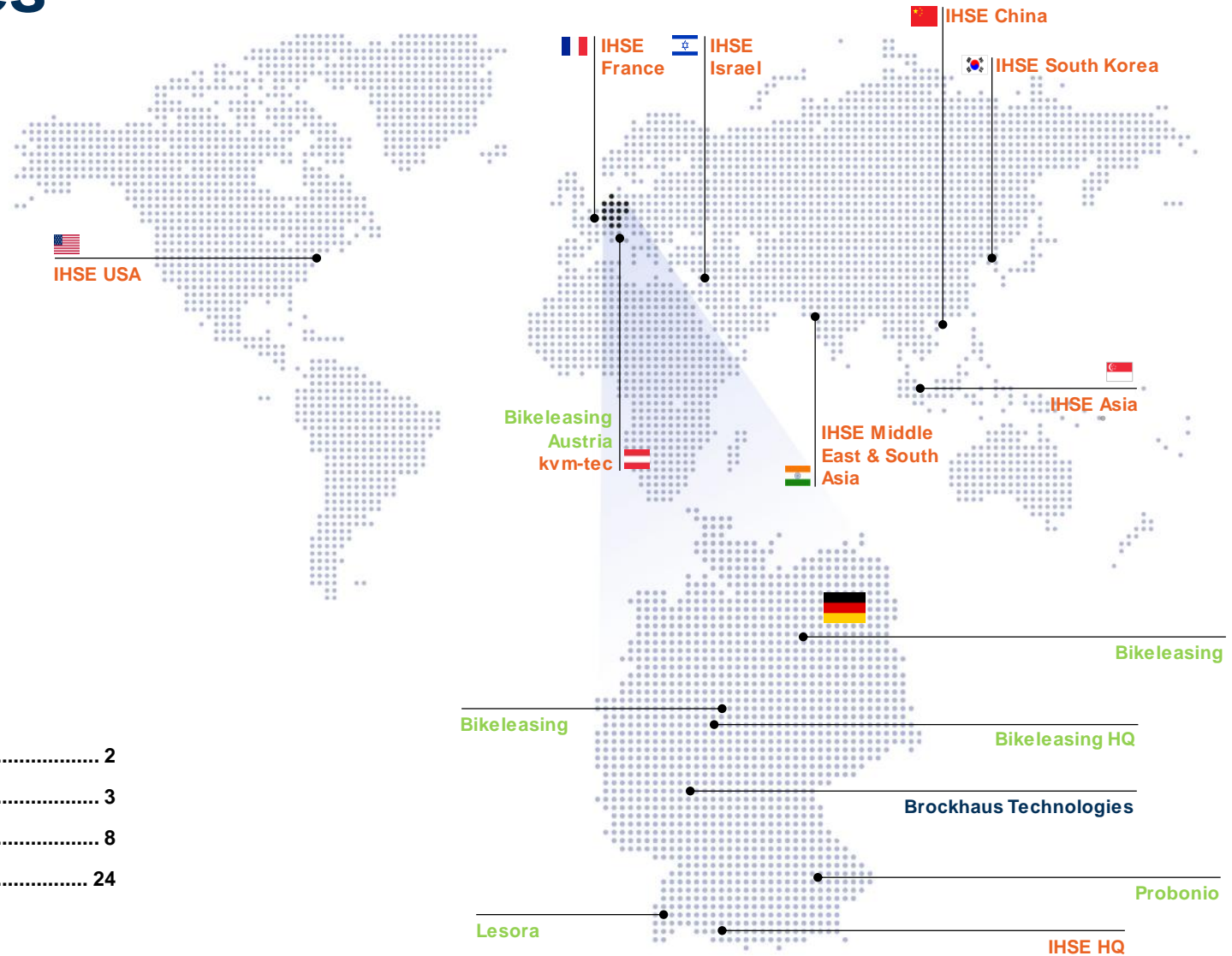


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Significant developments

Group results of operations

Brockhaus Technologies performed successfully in a challenging market environment in the reporting period and confirms the forecast for fiscal year 2024.

The Group's revenue increased by 22.9% to €175,339 thousand in 9M 2024 and total output by 24.2% to €178,289 thousand. The slightly higher increase in total output compared with revenue is attributable primarily to the rise in own work capitalized arising from development costs. In a step aimed at covering the central technology expertise with internal resources, the development team in the HR Benefit & Mobility Platform segment was substantially expanded. Previously, development activities were marked by a high degree of outsourcing. Project controlling for the new internal development resources was significantly enhanced in the reporting period. As a result, the costs incurred in this regard can be measured more reliably, which led to their mandatory capitalization.

Due to the acquisition of four sales agencies of Bikeleasing during the course of the year 2023, the sales commissions paid to these sales agencies did not incur in cost of materials in the reporting period anymore. As a result, the increase of 19.2% in the cost of materials to €58,704 thousand was lower than revenue growth. At the same time, personnel expenses now include the costs of the employees of the sales agencies taken over in the acquisitions. As a result, and due to the increase in headcount following the acquisition of Probonio, personnel expenses rose disproportionately by 36.2% to €31,782 thousand. Other operating expenses increased by 31.0% to €26,304 thousand. This was driven in particular by expenses of €2,827 thousand in connection with the introduction of a new ERP system at Bikeleasing. Amortization of intangible assets identified in initial consolidation increased by 22.8% to €14,136 thousand as a result of the acquisition of the four sales agencies in 2023 and the acquisition of Probonio GmbH in April 2024. Other depreciation of property, plant and equipment and amortization of intangible assets increased by 16.5% to €3,796 thousand.

Finance costs increased from €13,342 thousand to €19,640 thousand. The main reason for this increase was the complete write-down of the earn-out receivable from the sale of Palas amounting to €8,228 thousand (Note 3) in Q2 2024. This expense item was the primary reason why profit for the period fell from €15,628 thousand in the previous year to €14,325 thousand. This expense does not result in any cash outflow. The high tax rate of 46.2% in the reporting period also resulted from the write-down expense for the earn-out receivable. This expense is recognized under IFRS but not in the tax accounts, therefore it did not have a corresponding effect in reducing income tax.

Segment results of operations

The Group's revenue growth of 22.9% was driven largely by a 33.5% growth in the HR Benefit & Mobility Platform segment (formerly: Financial Technologies). By contrast, revenue in the Security Technologies segment was down 17.8% year-on-year.

To enhance the information value of the segment reporting and in line with the Group's internal reporting, the information for the comparative period is presented on a pro forma basis following the acquisitions of the four sales agencies in the HR Benefit & Mobility Platform segment in the previous year. This presents the Group's earnings figures for 2023 as if the four sales agencies acquired had already been part of Brockhaus Technologies as of January 1, 2023. Non-pro forma values are designated as "as-is."

HR Benefit & Mobility Platform

Revenue in the HR Benefit & Mobility Platform segment (**Bikeleasing** and **Probonio**) rose by 33.5% to €151,104 thousand in 9M 2024 (9M 2023: €113,185 thousand). Growth in the number of corporate customers also continued in Q3 2024, building on the steady growth of the previous quarters. As of September 30, 2024, the number of companies connected to Bikeleasing's digital platform was 70 thousand, which corresponds to growth of 25.6% over the last twelve months (**LTM**). These corporate customers employed 3.7 million employees as of the reporting date (16.9% LTM growth). The number of new bikes brokered through the Bikeleasing platform in 9M 2024 was 123 thousand, which reflects a decrease of 5.7% compared to 9M 2023 (131 thousand units). In the first quarter of the reporting period, there was a 4.0% decline in new bikes brokered. This contrasted with a growth of 4.6% in the second quarter of 2024 compared with Q2 2023. In a dry April, the number of new bikes brokered grew significantly by 30.0% compared with the same month of the previous year. In May and June, the sometimes stormy rainfall and a general consumer restraint caused employees to be cautious about ordering new company bicycles. The difficult unit sales situation continued in Q3 2024 and the number of new bicycles brokered was down 17.1% year-on-year.

In addition to weather-related factors and general consumer restraint in the market, the reduced number of bicycles brokered was significantly influenced by two further factors. Both of them relate to measures that the Group took deliberately to safeguard the segment's robust results of operations. On the one hand, the conversion of existing customers to the variable leasing factor is in fact making further progress, which is why around 90% of the connected employees have now been migrated to the new system. However, customers with around 10% of the employee base have still not yet agreed to the new contract system, which has led to a slowdown in new orders from these customers. On the other hand, credit rating downgrades of individual corporate customers across many sectors due to the economic situation meant that Bikeleasing rejected an unusually high number of inquiries from existing and new customers in order to ensure the continued high quality of the receivables portfolio. This had a negative impact on new orders, but is intended to ensure that customer defaults at Bikeleasing remain at the historically very low level of under 1%.

The significant increase in revenue, despite the decline in the number of new bicycles brokered, resulted mainly from the successful ongoing conversion of existing and new customers to a variable leasing factor (monthly leasing payment in relation to the acquisition cost of the bike). The average earnings per new bicycle brokered increased year-on-year as a result of the adjustment of the leasing factor to the higher interest rate environment. Accordingly, income per bicycle was up 42.6% compared with 9M 2023, when it was still negatively affected by the rise in market interest rates.

In addition, revenue from the resale of bicycles at the end of the lease term recorded a significant increase. This was because volume growth in the resale business is mainly driven by business growth three years ago (contracts generally have a term of three years). This means that trends in resale proceeds are largely independent of current unit sales developments.

€ thousand	Reportable segments							
	HR Benefit & Mobility Platform		Security Technologies		Central Functions and consolidation		Group	
	9M 2024	Pro forma 9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	Pro forma 9M 2023
Revenue	151,104	113,185	24,235	29,500	-	(1)	175,339	142,684
Revenue growth	33.5%		(17.8%)		-		22.9%	
Gross profit	101,252	77,167	18,012	22,024	321	265	119,585	99,455
Gross profit margin	67.0%	68.2%	74.3%	74.7%			68.2%	69.7%
Adjusted EBITDA	70,620	55,466	3,210	7,787	(5,815)	(4,474)	68,015	58,779
Adjusted EBITDA margin	46.7%	49.0%	13.2%	26.4%			38.8%	41.2%
Adjusted EBIT	68,266	53,342	1,981	6,743	(6,028)	(4,564)	64,219	55,521
Adjusted EBIT margin	45.2%	47.1%	8.2%	22.9%			36.6%	38.9%

At 67.0%, the gross profit margin was slightly below the prior-year period (9M 2023: 68.2%). The main reason for this was the increased revenue share of resale proceeds, which have a positive but significantly lower gross profit margin than the segment's other revenue components. The rise in own work capitalized to €1,415 thousand resulting from the internalization of development capacities had a positive effect on the gross profit margin. Excluding the resale business and own work capitalized, the gross profit margin was 92.1% (9M 2023: 88.7%). This increase was largely attributable to the ongoing switch to the variable leasing factor.

At 46.7%, the adjusted EBITDA margin was below the previous year's level (9M 2023: 49.0%). In addition to the slightly lower gross profit margin, this is due to the increase in personnel and other operating expenses to enable the segment's strong long-term growth. Among other things, this is attributable to the acquisition of Probonio and the establishment of Bike2Future for marketing and brokering used bicycles via B2B and B2C channels and the associated growth measures. This effect was also reflected in the adjusted EBIT margin of 45.2% (9M 2023: 47.1%).

In the course of the integration of Probonio GmbH (**Probonio**), which was acquired in April 2024, Probonio's benefit offering has been successively rolled out to Bikeleasing's existing corporate customers since Q3 2024. The first sales initiatives were launched at the end of August with a small group of Bikeleasing customers. Due to the fact that the year is already well advanced, as well as the non-recurring integration and roll-out costs, we do not currently expect Probonio to make a significant contribution to earnings in fiscal year 2024. Based on the results of a pilot customer survey conducted in Q2 2024, we expect Probonio to make a positive contribution to adjusted EBITDA in the mid-single-digit million range in 2025.

Security Technologies

Despite the significant rise in revenue in the third quarter (€9,958 thousand), revenue in the Security Technologies (**IHSE**) segment in the reporting period was 17.8% down on the prior-year period, at €24,235 thousand (9M 2023: €29,500 thousand). This was primarily attributable to typical fluctuations in the project business. In the comparative period, revenue includes a large single order in the Americas region that, with a volume of over €8 million, was the largest single order in the company's history. In the reporting period, revenue in the Americas region, which amounted to €5,495 thousand, was therefore also significantly lower than the prior-year figure of €15,269 thousand. At €15,040 thousand, revenue in EMEA grew year-on-year (9M 2023: €12,311 thousand). The APAC region continues to be shaped by China's efforts to uncouple from the West. Nevertheless, revenue in this region grew by 92.7% year-on-year to €3,700 thousand (9M 2023: €1,920 thousand).

At 74.3%, the gross profit margin was almost on the comparative period's level (74.7%). Fluctuations in the gross profit margin can regularly be observed for IHSE but are generally not expected to impact the year as a whole. This is explained by both different gross profit margins for large deliveries (customer and product mix) as well as significant reporting date-related fluctuations in changes in inventory.

The adjusted EBITDA margin for 9M 2024 fell from 26.4% to 13.2%, despite the high margin contribution of Q3 2024 (28.5%). The same applies to the EBIT margin, which was down on the previous year at 8.2% (9M 2023: 22.9%). The main factor behind this was the lower level of revenue in 9M 2024, combined with fixed costs in the area of personnel and other operating expenses. When viewing the year as a whole, we expect this effect to level out, and the adjusted EBITDA and EBIT margins to be at a significantly higher level compared to 9M 2024.

This expectation is reinforced by the current order situation – in terms of both order backlog and order pipeline. As of September 30, 2024, the segment's order backlog stood at a comparatively high level of €8.3 million (December 31, 2023: €4.6 million)

Central Functions

(not a reportable segment under IFRS)

Expenses in Central Functions increased year-on-year. This was attributable primarily to higher consulting fees in connection with the review of potential corporate transactions.

Net assets

Compared to December 31, 2023, total assets increased by 3.0%, from €666,180 thousand to €686,113 thousand, and were split between 81.1% non-current and 18.9% current assets as of the reporting date. The largest items by value were intangible assets including goodwill (€349,318 thousand), lease receivables (€190,392 thousand), cash and cash equivalents (€44,615 thousand), trade receivables (€49,791 thousand) and other financial assets (€15,960 thousand). Intangible assets relate primarily to the customer base, basic technologies and trademarks identified in the course of purchase price allocation for the subsidiaries (PPA assets) as well as goodwill.

Financial position

The Group's cash and cash equivalents as per September 30, 2024 amounted to €44,615 thousand (December 31, 2023: €53,666 thousand). With senior loans of €61,978 thousand, subordinated loans of €14,206 thousand and real estate loans of €75 thousand, the net debt from loans amounted to €31,643 thousand (December 31, 2023: €31,402 thousand). Including other financial liabilities (€17,672 thousand) and financial liabilities from lease refinancing (€183,470 thousand) deducted by lease receivables (€190,392 thousand), net debt decreased significantly to €42,393 thousand (December 31, 2023: €58,539 thousand). This corresponds to a factor of 0.56x (**leverage**) of adjusted pro-forma EBITDA for the last twelve months (**LTM**).

€ thousand	Sept. 30, 2024	Dec. 31, 2023
Net debt	42,393	58,539
Adjusted LTM EBITDA (pro forma)	76,224	66,988
Leverage	0.56x	0.87x

The deferred tax liabilities of €62,425 thousand relate mainly to the customer bases, basic technologies and trademarks identified in the course of purchase price allocation for the acquisitions of the subsidiaries (PPA assets) and will be reversed through profit or loss (with no effect on cash flow) in the future as these PPA assets are amortized.

Group equity at the reporting date was €294,760 thousand, equal to 43.0% of total assets (December 31, 2023: 44.7%). The decline was due to distributions to non-controlling shareholders and the payment of dividends to the shareholders of Brockhaus Technologies AG.

Cash flow from operating activities amounted to €27,660 thousand (9M 2023: €12,369 thousand) or €31,191 thousand before income tax payments (9M 2023: €17,856 thousand). Thereof, an operating cash flow of €27,596 thousand relates to the third quarter of 2024, which is the highest quarterly value since Brockhaus Technologies was founded. Because of the seasonally high business volume in the summer and the associated generally high working capital and refinancing backlog, the majority of the Group's cash flow from operations is typically generated in the second half of the year.

Cash flow from investing activities amounted to €-7,027 thousand (9M 2023: €39 thousand) and primarily consisted of the €1,782 thousand paid for the purchase price (less cash and cash equivalents acquired) in the acquisition of Probonio GmbH, capitalized development costs (€2,606 thousand), payments to acquire property, plant and equipment (€1,193 thousand), and payments to acquire intangible assets (€1,446 thousand). In the comparative period, cash flow from investing activities had been driven by proceeds from the sale of the IHSE property (€10,000 thousand) and outflows for the acquisition of Bikeleasing retail agencies (€-7,406 thousand).

Cash flow from financing activities amounted to €-31,419 thousand (9M 2023: €-9,953 thousand). The primary components are listed in the following.

- > €-10,000 thousand, repayment of a registered bond in the HR Benefit & Mobility Platform segment
- > €15,000 thousand, issuance of a new registered bond to replace that
- > €-12,663 thousand, distributions to non-controlling interest holders: Bikeleasing distributed €28,000 thousand to its shareholders in the reporting period. €15,337 thousand of those distributions were attributable to intermediate holding company BCM Erste Beteiligungs GmbH (**BCM Erste**), which is controlled by Brockhaus Technologies AG. The remaining amount was distributed to non-Group shareholders. The distributions were made according to the respective interests in Bikeleasing held by its shareholders.
- > €-15,300 thousand, repayment (incl. payment of accrued interest) of the subordinated loan by intermediate holding company BCM Erste from the distribution of Bikeleasing
- > €-2,000 thousand, regular repayment of the senior acquisition loan in the Security Technologies segment
- > €-2,298 thousand, payment of the 2023 dividend to the shareholders of Brockhaus Technologies AG

Forecast

The forecast of Brockhaus Technologies for fiscal year 2024 remains unchanged, at revenue of between €220 million and €240 million, and adjusted EBITDA of between €80 million and €90 million.

Disclaimer

This Quarterly Statement contains forward-looking statements that are based on management's current estimation of the future performance of the Group. This estimation was made on the basis of all information available as of the preparation date of this Quarterly Statement. Forward-looking statements are subject to uncertainties – as described in the risks and opportunities section of our 2023 Combined Management Report – that are beyond the Group's control. This especially concerns Russia's ongoing war of aggression in Ukraine, the conflict in the Middle East, the continuing supply bottlenecks, China's efforts to uncouple from the West, an energy sector in transition and the high inflation, which has in turn led to a strong increase in interest rates. If the assumptions on which these expected developments are based are not accurate, or if the risks or opportunities described were to materialize, actual results may differ significantly from the statements made in the forecast. If the underlying information changes in such a way that a deviation from the forecast is more likely than not, Brockhaus Technologies will notify this in accordance with the statutory disclosure requirements.

Events after September 30, 2024

There were no significant events between September 30, 2024, and the date this Quarterly Statement was approved for publication by the Executive Board.

Financial information

(unaudited)

Information on our alternative performance measures can be found on page [14](#).

Consolidated statement of comprehensive income

€ thousand	9M 2024	9M 2023
Revenue	175,339	142,684
Increase/ (decrease) in finished goods and work in progress	344	177
Other own work capitalized	2,606	734
Total output	178,289	143,595
Cost of materials	(58,704)	(49,266)
Gross profit	119,585	94,329
Personnel expenses excluding share-based payments	(30,720)	(22,840)
Personnel expenses from share-based payments	(1,062)	(496)
Other operating expenses	(26,304)	(20,078)
Impairment loss on receivables	(409)	(333)
Other operating income	2,445	2,915
Amortization of intangible assets identified in initial consolidation	(14,136)	(11,514)
Other depreciation of property, plant and equipment and amortization of intangible assets	(3,796)	(3,258)
Finance costs	(19,640)	(13,342)
Finance income	681	294
Financial result	(18,959)	(13,049)
Earnings before tax	26,644	25,678
Income tax expense	(12,319)	(10,050)
Profit or loss for the period	14,325	15,628
of which attributable to BKHT shareholders	(2,306)	2,720
of which attributable to non-controlling interests	16,631	12,908

Consolidated statement of comprehensive income (continued)

€ thousand	9M 2024	9M 2023
Foreign currency translation adjustments*	(131)	134
Total comprehensive income	14,194	15,762
of which attributable to BKHT shareholders	(2,437)	2,854
of which attributable to non-controlling interests	16,631	12,908
Earnings per share		
Weighted average number of shares outstanding	10,447,666	10,947,637
Earnings per share** (€)	(0.22)	0.25

* Other comprehensive income that may be reclassified to profit or loss in subsequent periods

** Basic earnings per share is equal to diluted earnings per share.

Consolidated statement of financial position

€ thousand	Sept. 30, 2024	Dec. 31, 2023
Assets		
Property, plant and equipment	13,505	12,868
Intangible assets and goodwill	349,318	356,600
Non-current trade receivables	27,180	18,404
Non-current leasing receivables	165,245	139,544
Deferred tax assets	987	985
Non-current assets	556,236	528,401
Inventories	18,385	17,697
Current trade receivables	22,610	17,316
Contract assets	861	510
Current leasing receivables	25,147	27,657
Other financial assets	15,960	19,445
Prepayments	2,297	1,488
Cash and cash equivalents	44,615	53,666
Current assets	129,877	137,778
Total assets	686,113	666,180

€ thousand	Sept. 30, 2024	Dec. 31, 2023
Equity and liabilities		
Subscribed capital	10,948	10,948
Capital reserves	240,130	240,130
Treasury shares	(10,999)	(10,999)
Currency translation differences	(169)	(38)
Retained earnings	14,226	18,275
Equity attributable to BKHT shareholders	254,135	258,315
Non-controlling interests	40,625	39,516
Equity	294,760	297,831
Non-current financial liabilities excl. lease refinancing	84,750	87,104
Non-current financial liabilities from lease refinancing	171,412	166,649
Other provisions	84	83
Other liabilities	6,214	603
Deferred tax liabilities	62,425	56,424
Non-current liabilities	324,884	310,863
Current tax liabilities	7,919	3,879
Current financial liabilities excl. lease refinancing	9,180	15,892
Current financial liabilities from lease refinancing	12,058	9,760
Trade payables	19,919	12,275
Other liabilities	13,146	12,671
Contract liabilities	4,193	2,893
Other provisions	53	115
Current liabilities	66,468	57,485
Liabilities	391,353	368,348
Total equity and liabilities	686,113	666,180

Consolidated statement of cash flows

€ thousand	9M 2024	9M 2023
Profit or loss for the period	14,325	15,628
(Income taxes paid)/ income tax refunds	(3,532)	(5,487)
Income tax expense/ (income tax income)	12,319	10,050
Expenses for equity-settled share-based payment transactions	556	421
Amortization, depreciation and impairment losses	17,932	14,866
Financial result excluding lease refinancing	13,255	10,079
Interest received	681	-
(Gain)/ loss on sale of property, plant and equipment	25	(891)
Other non-cash expenses/ (income)	689	94
(Increase)/ decrease in lease receivables	(23,191)	(42,131)
Increase/ (decrease) in financial liabilities from lease refinancing	5,335	23,278
(Increase)/ decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	(21,214)	(31,693)
Increase/ (decrease) in trade payables and other liabilities not attributable to investing or financing activities	10,548	18,097
Increase/ (decrease) in other provisions	(67)	60
Cash flow from operating activities	27,660	12,369

Consolidated statement of cash flows (continued)

€ thousand	9M 2024	9M 2023
Payments to acquire property, plant and equipment	(1,193)	(961)
Proceeds from sale of property, plant and equipment	-	10,039
Payments to acquire intangible assets	(1,446)	(1,007)
Capitalized development costs	(2,606)	(626)
Acquisition of subsidiaries, net of cash acquired	(1,782)	(7,406)
Cash flow from investing activities	(7,027)	39
Proceeds from loans raised	15,000	-
Repayment of loans and other financial liabilities	(23,279)	(7,423)
Repayment of lease liabilities	(1,365)	(931)
Interest paid	(6,812)	(1,600)
Distributions to non-controlling shareholders	(12,663)	-
Dividend payout to shareholders	(2,298)	-
Cash flow from financing activities	(31,419)	(9,953)
Change in cash and cash equivalents	(10,786)	2,454
Effect of exchange rate changes on cash and cash equivalents	10	32
Funds of financial resources at period start	52,969	70,780
Funds of financial resources at period end	42,192	73,267
Cash and cash equivalents	44,615	74,462
Overdraft facilities used for cash management	(2,423)	(1,195)
Funds of financial resources	42,192	73,267

Consolidated statement of changes in equity

€ thousand	Subscribed capital	Capital reserves	Treasury shares	Currency translation differences	Retained earnings	Equity attributable to BKHT shareholders	Non-controlling interests	Equity
Jan. 1, 2024	10,948	240,130	(10,999)	(38)	18,275	258,315	39,516	297,831
Transactions with shareholders								
Dividend payout to shareholders	-	-	-	-	(2,298)	(2,298)	-	(2,298)
Profit or loss for the period	-	-	-	-	(2,306)	(2,306)	16,631	14,325
Other comprehensive income	-	-	-	(131)	-	(131)	-	(131)
Equity-settled share-based payment transactions	-	-	-	-	556	556	-	556
Distributions to non-controlling shareholders	-	-	-	-	-	-	(12,663)	(12,663)
Non-controlling interests from business combinations	-	-	-	-	-	-	(2,859)	(2,859)
Sept. 30, 2024	10,948	240,130	(10,999)	(169)	14,226	254,135	40,625	294,760
Jan. 1, 2023	10,948	240,130	-	548	21,075	272,700	42,636	315,337
Profit or loss for the period	-	-	-	-	2,720	2,720	12,908	15,628
Other comprehensive income	-	-	-	134	-	134	-	134
Equity-settled share-based payment transactions	-	-	-	-	421	421	-	421
Sept. 30, 2023	10,948	240,130	-	682	24,215	275,974	55,545	331,519

Comments on financial information

1. Alternative performance measures

Pro-forma consolidated income statement

The income and expenses of the four Bikeleasing sales agencies acquired in 2023 had only been included in the income statement for part of fiscal year 2023. This is because the dates on which control was obtained (closing of the respective acquisition) were in the months of May, June and December 2023. For this reason, the informative value of the earnings figures for fiscal year 2023 and in particular, their suitability for deriving forecasts, is significantly limited. The Executive Board therefore additionally analyzes the comparative period's earnings figures on a pro forma basis. It presents the consolidated income statement for the comparative period as if the sales agencies had already been acquired as of January 1, 2023.

The pro forma adjustments in 9M 2023 include savings of €5,126 thousand on sales commission in cost of materials, additional personnel expenses of €1,279 thousand for the employees taken over and PPA amortization €3,193 thousand on the reacquired distribution rights.

To calculate the pro forma income and expenses, management assumed that the preliminary fair value adjustments made as of the date of acquisition of the sales agencies would also have applied if the acquisitions had taken place on January 1, 2023.

Pro forma consolidated income statement

€ thousand	As is 9M 2023	Pro forma adjustments	Pro forma 9M 2023
Revenue	142,684	-	142,684
Increase/ (decrease) in finished goods and work in progress	177	-	177
Other own work capitalized	734	-	734
Total output	143,595	-	143,595
Cost of materials	(49,266)	5,126	(44,140)
Gross profit	94,329	5,126	99,455
Personnel expenses excluding share-based payments	(22,840)	(1,046)	(23,888)
Personnel expenses from share-based payments	(496)	(233)	(729)
Other operating expenses	(20,078)	-	(20,078)
Impairment loss on receivables	(333)	-	(333)
Other operating income	2,915	-	2,917
Amortization of intangible assets identified in initial consolidation	(11,514)	(3,193)	(14,706)
Other depreciation of property, plant and equipment and amortization of intangible assets	(3,258)	-	(3,258)
Finance costs	(13,342)	-	(13,342)
Finance income	294	-	294
Financial result	(13,049)	-	(13,049)
Earnings before tax	25,678	655	26,332
Income tax expense	(10,050)	(196)	(10,246)
Profit or loss for the period	15,628	458	16,086
of which attributable to BKHT shareholders	2,720	239	2,958
of which attributable to non-controlling interests	12,908	219	13,128

Adjusted alternative performance measures

For definitions and a detailed explanation of the alternative performance measures, please refer to Note 6 to our 2023 Consolidated Financial Statements and to Note 3 to the H1 2024 Interim Consolidated Financial Statements.

The Group no longer adjusts the reduced earnings from value step-up, which amounted to €380 thousand in the reporting period (9M 2023: €1,133 thousand).

The adjusted earnings figures include interest income from finance leases of €15,078 thousand (9M 2023: €12,623 thousand), which the Group recognizes in revenue because it is inherent in the operating business model. The adjusted earnings figures before finance costs (adjusted EBITDA and adjusted EBIT) do not include lease re-financing expenses. These are shown in the financial result and amounted to €5,062 thousand (9M 2023: €3,226 thousand).

Calculation of adjusted EBITDA

€ thousand	As is		Pro forma
	9M 2024	9M 2023	9M 2023
Earnings before tax	26,644	25,678	26,332
Financial result	18,959	13,049	13,049
Amortization, depreciation and impairment losses	17,932	14,771	17,964
EBITDA	63,534	53,496	57,345
Share-based payments	830	421	421
Cost of business combinations	259	1,113	1,113
Personnel expenses from business combinations	564	-	517
Cost of ERP implementation	2,827	-	-
Income from sale of property	-	(616)	(616)
Adjusted EBITDA	68,015	54,414	58,779
<i>Adjusted EBITDA margin</i>	<i>38.8%</i>	<i>38.1%</i>	<i>41.2%</i>

Calculation of adjusted EBIT

€ thousand	As is		Pro forma
	9M 2024	9M 2023	9M 2023
Earnings before tax	26,644	25,678	26,332
Financial result	18,959	13,049	13,049
EBIT	45,602	38,726	39,381
Share-based payments	830	421	421
Cost of business combinations	259	1,113	1,113
Personnel expenses from business combinations	564	-	517
Cost of ERP implementation	2,827	-	-
Income from sale of property	-	(616)	(616)
PPA amortization	14,136	11,514	14,706
Adjusted EBIT	64,219	51,157	55,522
<i>Adjusted EBIT margin</i>	<i>36.6%</i>	<i>35.9%</i>	<i>38.9%</i>

Calculation of adjusted earnings and adjusted earnings per share

€ thousand	As is		Pro forma
	9M 2024	9M 2023	9M 2023
Profit or loss for the period	14,325	15,628	16,086
Share-based payments	830	421	421
Financial result from NCI put	10	-	-
Cost of business combinations	259	1,113	1,113
Personnel expenses from business combinations	564	-	517
Cost of ERP implementation	2,827	-	-
Income from sale of property	-	(616)	(616)
PPA amortization	14,136	11,514	14,706
(Income)/ expenses from earn-outs	8,033	2,899	2,899
(Income)/ expenses from success fee	200	123	123
Income taxes on adjustments	(5,094)	(2,844)	(3,957)
Adjusted earnings	36,090	28,238	31,293
of which: attributable to BKHT shareholders	14,888	12,330	13,921
of which: non-controlling interests	21,202	15,908	17,372
Number of shares outstanding	10,447,666	10,947,637	10,947,637
Adjusted earnings per share (€)	1.42	1.13	1.27

Calculation of the adjusted cash flow from operating activities before tax and free cash flow before tax

€ thousand	9M 2024	9M 2023
Cash flow from operating activities	27,660	12,369
Income taxes paid/ (income tax refunds)	3,532	5,487
Cost of business combinations	259	1,113
Adjusted cash flow from operating activities before tax	31,451	18,969
Cash flow from investing activities	(7,027)	39
Proceeds from sale of property	-	(10,000)
Acquisition/ (disposal) of subsidiaries	1,782	7,406
Free cash flow before tax	26,206	16,413

2. Operating segments

Key performance indicator by operating segment

€ thousand	Reportable segments											
	HR Benefit & Mobility Platform		Security Technologies		Total		Central Functions		Reconciliation		Group	
	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023
Revenue	151,104	113,185	24,235	29,500	175,339	142,685	753	432	(753)	(433)	175,339	142,684
Gross profit	101,252	72,041	18,012	22,024	119,264	94,064	753	432	(431)	(167)	119,585	94,329
Adjusted EBITDA	70,620	51,102	3,210	7,787	73,830	58,889	(5,815)	(4,471)	-	(3)	68,015	54,414
Pro forma gross profit	101,252	77,167	18,012	22,024	119,264	99,190	753	432	(431)	(167)	119,585	99,455
Pro forma adjusted EBITDA	70,620	55,466	3,210	7,787	73,830	63,253	(5,815)	(4,471)	-	(3)	68,015	58,779
Trade working capital	34,439	16,073	14,440	15,889	48,879	31,961	(128)	44	(493)	(122)	48,257	31,883
Cash and cash equivalents	24,765	31,786	2,809	5,629	27,574	37,415	17,041	37,047	-	-	44,615	74,462
Financial liabilities excluding lease refinancing	58,344	66,482	28,463	32,854	86,807	99,336	7,123	3,954	-	-	93,930	103,289
Financial liabilities from lease refinancing	183,470	178,263	-	-	183,470	178,263	-	-	-	-	183,470	178,263
Interest income from finance leases	15,078	12,623	-	-	15,078	12,623	-	-	-	-	15,078	12,623
Revenue by region												
EMEA	151,104	113,185	15,040	12,311	166,144	125,496	753	432	(753)	(433)	166,144	125,496
Germany	145,060	111,487	4,800	4,169	149,860	115,657	753	432	(753)	(433)	149,860	115,656
Other	6,044	1,698	10,240	8,142	16,285	9,839	-	-	-	-	16,285	9,839
Americas	-	-	5,495	15,269	5,495	15,269	-	-	-	-	5,495	15,269
USA	-	-	5,302	14,986	5,302	14,986	-	-	-	-	5,302	14,986
Other	-	-	193	283	193	283	-	-	-	-	193	283
APAC	-	-	3,700	1,920	3,700	1,920	-	-	-	-	3,700	1,920
China	-	-	2,405	486	2,405	486	-	-	-	-	2,405	486
Other	-	-	1,295	1,434	1,295	1,434	-	-	-	-	1,295	1,434
Total	151,104	113,185	24,235	29,500	175,339	142,685	753	432	(753)	(433)	175,339	142,684

52.09% of the income, expenses, assets and liabilities of the HR Benefit & Mobility Platform segment are attributable to Brockhaus Technologies AG. An exception to this concerns financial liabilities from subordinated loans of €14,206 thousand (December 31, 2023: €26,350 thousand) of the intermediate holding company BCM Erste Beteiligungs GmbH (**BCM Erste**). 94.87% of these liabilities are attributable to Brockhaus Technologies AG. Legally, the interest (calculated on a multiplicative basis) held by Brockhaus Technologies AG in Bikeleasing amounts to 51.96%. Newly created shares of Bikeleasing of 0.255% were transferred to the sellers of Probonio as part of the purchase price payment in April 2024 (Note 8). There are put and call options on this interest, with the result that it does not meet the definition of equity under IFRS. The Group therefore reports this interest as a liability at fair value. As a result, the interest of Brockhaus Technologies AG in Bikeleasing is 52.09% under IFRS (interest of 94.87% in the intermediate holding company BCM Erste * 54.91% held by BCM Erste in Bikeleasing), but legally it amounts to 51.96% (interest of 94.87% in the intermediate holding company BCM Erste * 54.77% held by BCM Erste in Bikeleasing).

100% of the income, expenses, assets and liabilities of the Security Technologies segment are attributable to Brockhaus Technologies AG.

3. Financial result

Finance costs are composed of the following items.

€ thousand	9M 2024	9M 2023
Interest on financial liabilities at amortized cost	10,556	9,995
of which: not from lease refinancing	5,494	6,769
of which: from lease refinancing	5,062	3,226
Interest on lease liabilities	363	306
Change in success fee recognized in profit or loss	200	123
Expenses from the remeasurement of earn-out receivables	8,381	2,899
Other	141	19
Finance costs	19,640	13,342

The Group sold the Palas subsidiary (former Environmental Technologies segment) in November 2022. The consideration received included future contingent purchase price payments (earn-out). At the time of the sale, these were recognized as a receivable at a fair value of €10,816 thousand and amounted to €7,880 thousand at the end of fiscal year 2023. The receivable must be measured as of each reporting date based on the probability of occurrence of the conditions for the earn-out payments. The change in the carrying amount is presented as income or expense in the financial result. The Group received the 2023 financial statements of Palas in Q2 2024. Based on the information on the 2023 results of operations and the 2024 forecast of Palas, we have come to the conclusion that it is highly probable that no payments will be made to the Group under the earn-out agreement. This is due to the significantly worse than planned development of the Palas sales markets. As a result, we have measured the earn-out receivable at zero. The expense from the write-down is reported in finance costs. Depending on the actual results of operations of Palas in fiscal year 2024, it is still possible that the Group will receive payments from the earn-out, although we are currently not expecting any.

4. Earnings per share

The following table presents the calculation of earnings per share, based on the profit or loss attributable to the shareholders of BKHT.

	9M 2024	9M 2023
Profit or loss attributable to BKHT shareholders (€ thousand)	(2,306)	2,720
Weighted average number of shares outstanding	10,447,666	10,947,637
Earnings per share (€)	(0.22)	0.25

Adjusted earnings per share are shown in the following table. For more detailed information refer to Note 1.

Adjusted	9M 2024	9M 2023
Adjusted earnings attributable to BKHT shareholders (€ thousand)	14,888	12,330
Weighted average number of shares outstanding	10,447,666	10,947,637
Adjusted earnings per share (€)	1.42	1.13

The weighted average number of shares outstanding declined year-on-year by the 499,971 shares bought back by the Company at the end of December 2023.

5. Intraperiod impairment testing of IHSE

As a rule, goodwill in the Group is tested for impairment once a year in accordance with IAS 36. As a result of significant shifts in orders in the Security Technologies segment, that segment's revenue was unusually low in the reporting period. This resulted in a triggering event for a possible impairment requirement. For this reason, the segment's goodwill was tested for impairment as of September 30, 2024. This was based on the current financial planning and estimates. The impairment test performed for the goodwill of the Security Technologies segment did not indicate a need for impairment as of September 30, 2024.

This impairment test for goodwill is based on the assumptions shown in the following table.

	Sept. 30, 2024	Dec. 31, 2023
Determination of recoverable amount	Value in use	Value in use
Discount rate	8.2%	8.7%
Pre-tax discount rate	8.6%	9.1%
Sustainable growth rate	1.5%	1.5%
Forecast EBITDA growth rate (average for the next five years)	17%	15%

6. New securitization transaction

A new securitization structure was initiated in the reporting period to refinance lease receivables and trade receivables relating to future insurance premiums to be received. Such receivables of the HR Benefit & Mobility Platform segment were sold to a special purpose vehicle (SPV) outside the Group on a revolving basis. This SPV securitized the receivables concerned and issued the notes created in the process to investors. This securitization will enable receivables with a volume of up to €300 million to be refinanced on a revolving basis in the future.

In the reporting period, receivables with a carrying amount of €152,312 thousand were sold for sale proceeds of €168,841 thousand via this new securitization transaction. Taking into account a continuing involvement asset of €6,086 thousand, the fair value of the excess cash account amounting to €4,689 thousand, less an associated liability of €6,152 thousand, this resulted in a disposal gain of €21,151 thousand.

7. Financial liabilities

Financial liabilities are composed of the following items.

€ thousand	Non-current		Current		Total	
	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2024	Dec. 31, 2023
Senior loans	54,501	44,538	7,477	14,093	61,978	58,631
Senior acquisition loans	13,955	19,427	7,477	4,063	21,432	23,490
Registered bonds	40,546	25,111	-	10,030	40,546	35,141
Subordinated loans	14,206	26,350	-	-	14,206	26,350
Subordinated acquisition loans	14,206	26,350	-	-	14,206	26,350
Real estate loans	58	71	17	16	75	87
Other financial liabilities	15,986	16,145	1,687	1,783	17,672	17,928
Lease liabilities	8,994	9,353	1,687	1,357	10,681	10,710
Success fee liability Bikeleasing	6,991	6,792	-	-	6,991	6,792
Miscellaneous other financial liabilities	-	-	-	426	-	426
Financial liabilities excl. lease refinancing	84,750	87,104	9,180	15,892	93,930	102,996
Lease refinancing	171,412	166,649	12,058	9,760	183,470	176,410
Securitization liabilities	13,161	35,526	26	64	13,187	35,591
Loans for lease financing	115,068	95,515	2,423	697	117,491	96,212
Financial liabilities from forfeiting	7,039	6,359	699	129	7,739	6,488
Buyback and servicing of third-party leases	25,950	25,207	8,910	8,871	34,861	34,078
Associated liability	10,193	4,041	-	-	10,193	4,041
Total financial liabilities	256,162	253,753	21,239	25,652	277,401	279,405

Calculation of net debt

€ thousand	Sept. 30, 2024	Dec. 31, 2023
Senior loans	61,978	58,631
Subordinated loans	14,206	26,350
Real estate loans	75	87
Cash and cash equivalents*	(44,615)	(53,666)
Net debt from loans	31,643	31,402
Other financial liabilities	17,672	17,928
Financial liabilities from lease refinancing	183,470	176,410
Lease receivables	(190,392)	(167,201)
Net debt from leasing	(6,922)	9,209
Net debt	42,393	58,539

* Cash and cash equivalents are deducted from the loan in this presentation for purposes of analysis. There is no corresponding earmarking.

8. Business combinations

On April 11, 2024 (closing), the Group's HR Benefit & Mobility Platform segment acquired 100% of the shares and voting rights of Probonio GmbH (**Probonio**), whose registered office is in Landshut, Germany.

The buyer of Probonio is BLS Beteiligungs GmbH, in which Brockhaus Technologies AG indirectly held a 52.09% interest prior to the acquisition. As a result of the partial payment of the purchase price through newly created shares of BLS Beteiligungs GmbH, Brockhaus Technologies AG indirectly holds a multiplicative calculated share of 51.96% in Bikeleasing and hence also in Probonio following the acquisition.

Established in 2022, Probonio is a provider of software-as-a-service (SaaS) solutions for managing employee benefits. Employers can currently offer their employees more than ten different benefits through the proprietary platform and the native app, which can then be managed in a user-friendly online cockpit. The benefits range from non-cash benefits and meal allowances, through company fitness programs, down to the technical integration of providers of company bicycle leasing like Bikeleasing. This acquisition marks Bikeleasing's planned transition towards a fully comprehensive multi-benefit platform. Once the integration has been completed, the additional employee benefits will be offered to Bikeleasing's current 70 thousand corporate customers and their 3.7 million employees from a single source, alongside company bicycle leasing.

The accounting of the acquisition is still preliminary because the timing of the transaction is close to the reporting date of this Quarterly Statement. There may therefore be adjustments within the measurement period of 12 months from the date of purchase.

Initial consolidation occurred as of April 1, 2024. In the period April 1 to September 30, 2024, Probonio contributed revenue of €134 thousand and a loss of €681 thousand to consolidated earnings. If the acquisition had taken place on January 1, 2024, consolidated revenue and profit or loss for the period would not have differed materially from the figures reported in the consolidated statement of comprehensive income.

Consideration transferred

The consideration transferred consisted of cash of €2,053 thousand and 0.255% newly issued shares of BLS Beteiligungs GmbH worth €2,031 thousand (€1,273 thousand after discounting). In addition, a contingent consideration (**earn-out**) was agreed. The amount of the future earn-out payments depends on the number of new users activated on the Probonio platform between the closing date and January 31 of the years of 2025, 2026 and 2027. The fair value of this contingent consideration was measured at €3,365 thousand.

€ thousand	
Cash	2,053
BLS shares/ NCI put liability	1,273
Contingent consideration (earn-out)	3,365
Consideration transferred	6,691

Costs associated with the acquisition

The Group incurred costs of €259 thousand for legal advice, due diligence and notarizations in conjunction with the business combination. These costs are presented in other operating expenses.

Identifiable acquired assets and assumed liabilities

The recognized amounts of the acquired assets and the assumed liabilities as of the date of acquisition have been compiled in the following.

€ thousand	
Property, plant and equipment (including right-of-use assets)	11
Intangible assets	753
Trade receivables	53
Other assets	175
Cash and cash equivalents	270
Deferred tax liabilities	(166)
Trade and other payables	(373)
Total identifiable acquired net assets	723

Goodwill

Goodwill primarily comprises the value of anticipated synergies from the acquisition. The full amount of goodwill is attributable to the HR Benefit & Mobility Platform segment.

€ thousand	
Consideration transferred	6,691
Non-controlling interests	(2,859)
Fair value of the identified net assets	(723)
Goodwill	3,109

Goodwill expected to be tax-deductible amounts to zero.

NCI put from put and call options

As part of the acquisition, put and call options with regard to the 0.255% interest in BLS Beteiligungs GmbH were agreed with the sellers. After five years, these options give the sellers the right to sell back the shares of BLS Beteiligungs GmbH received in the course of the acquisition to BLS Beteiligungs GmbH, and conversely, give BLS Beteiligungs GmbH the right to acquire the shares from the sellers. The exercise price corresponds to the proportionate value of Bikeleasing, calculated using a multiple on the adjusted pro forma EBITDA generated by Bikeleasing in five years less the future IFRS net financial liabilities of Bikeleasing.

Due to the repurchase obligation resulting from the put option, the 0.255% interest does not meet the criteria for classification as equity under IFRS, and the Group applies the anticipated acquisition method to account for it. Under this method, the transaction is accounted for as if the put option had already been exercised by the sellers of Probonio. As a result, the interest is reported as a liability and is not classified as a non-controlling interest (NCI). The profit share of Bikeleasing (including Probonio) attributable to BKHT is calculated unchanged on the basis of a 52.09% shareholding, although the legal interest is 51.96%. The profit share of the 0.255% interest in Bikeleasing is allocated to this interest through the financial result in the consolidated statement of comprehensive income.

Supplementary information

Financial calendar

March 28, 2025	Annual Report 2024
May 15, 2025	Quarterly Statement Q1 2025
June 25, 2025	Annual General Meeting
August 14, 2025	Half-Year Financial Report H1 2025
November 14, 2025	Quarterly Statement 9M 2025

Basis of reporting

This Quarterly Statement was prepared in compliance with section 53 of the Exchange Rules for the Frankfurter Wertpapierbörse. It does not constitute an interim financial report in accordance with IAS 34 or financial statements in accordance with IAS 1. It should be read in conjunction with the 2023 Consolidated Financial Statements and the 2023 Combined Management Report and the information contained therein. Those documents are available in the 2023 Annual Report, which can be found in the Investor Relations section on our website www.brockhaus-technologies.com.

The reporting entity is Brockhaus Technologies AG (**BKHT** or the **Company**, together with its consolidated subsidiaries **Brockhaus Technologies** or the **Group**). The **reporting period** for this Quarterly Statement is the period January 1, 2024, to September 30, 2024. The **reporting date** is September 30, 2024. In addition, comparative information is provided for the period from January 1, 2023, to September 30, 2023 (**comparative period**).

This report has been translated from German into English. In the case of any discrepancies between the two language versions, the German version takes precedence.

Rounding

The metrics appearing in this report have been rounded in line with standard commercial practice. This rounding method does not necessarily preserve totals, so that it is possible that the amounts in this report do not add up precisely to the total presented.

Note within the meaning of the equal treatment act

Equal treatment is important to us. Only for reasons of better legibility, the use of male, female or language forms of other genders is avoided. All personal references apply to all genders unless otherwise specified.

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