BROCKHAUS TECHNOLOGIES

Quarterly Statement

Q1 2025

Brockhaus Technologies at a glance

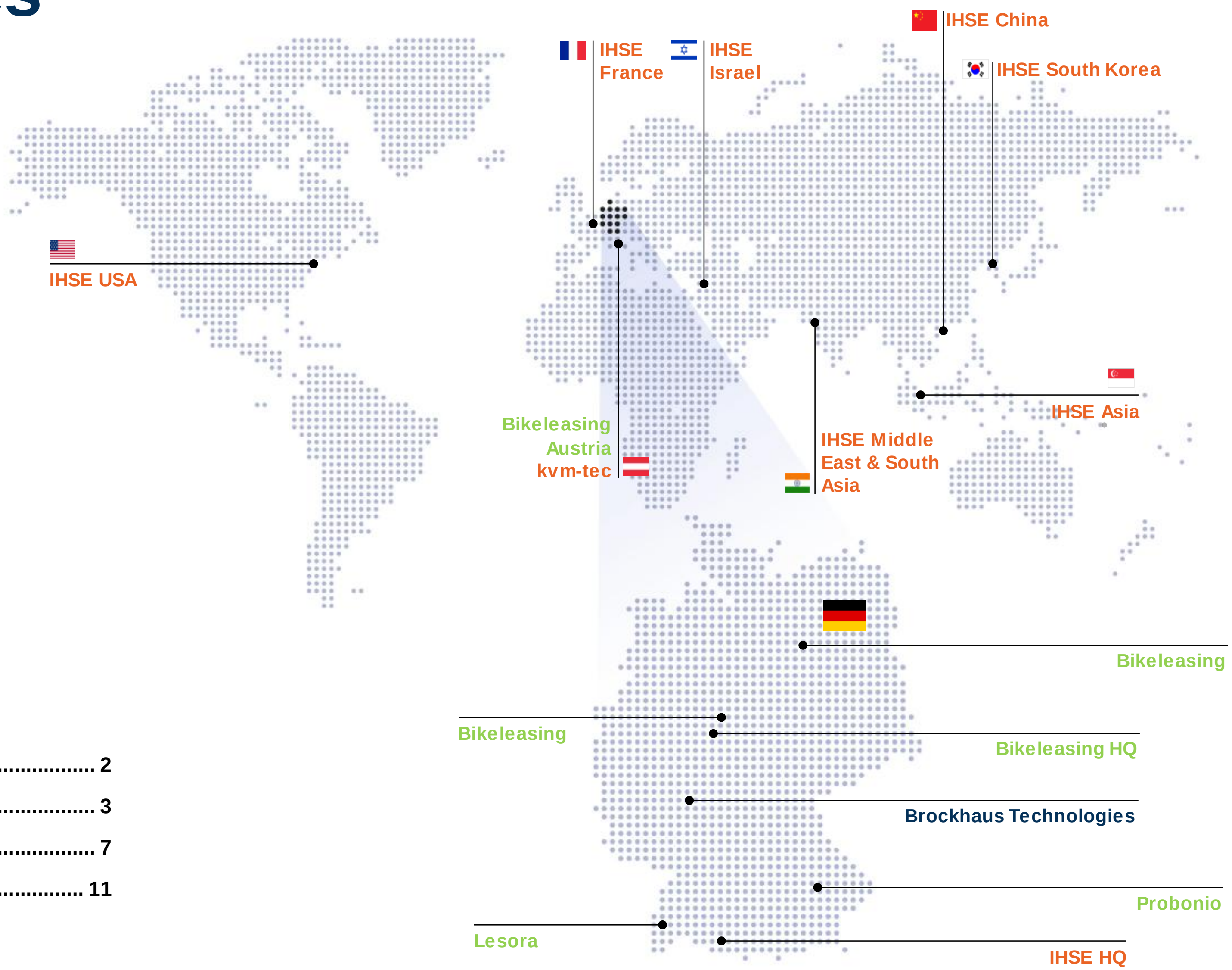

Table of contents

Significant developments

Status of the 2024 financial statements and impact on this Quarterly Statement

On March 21, 2025, the Executive Board of Brockhaus Technologies AG (**BKHT** or the **Company**, together with its consolidated subsidiaries **Brockhaus Technologies** or the **Group**) decided to postpone the publication of the consolidated financial statements and the annual financial statements for fiscal year 2024, originally scheduled for March 28, 2025. The Company's auditor, KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), had informed the Company that due to significant outstanding audit evidence and, in particular, an investigation into a specific business transaction at a foreign subsidiary of IHSE (Security Technologies segment) initiated by the Supervisory Board of Brockhaus Technologies, not all audit procedures were completed within the previously planned timeline. The business transaction concerned did not have any impact on the preliminary figures for the 2024 fiscal year of Brockhaus Technologies published on March 7, 2025. The investigation launched by the Supervisory Board, whose scope has been extended beyond the specific business transaction, is at a very advanced stage.

As of the date of publication of this Quarterly Statement, the 2024 consolidated and annual financial statements of Brockhaus Technologies AG have not received an audit opinion. Despite that, we want to meet our reporting requirements pursuant to section 53 (Quarterly Statement) of the Exchange Rules for the Frankfurter Wertpapierbörse (Frankfurt Stock Exchange) and prepare and publish this Quarterly Statement by the appropriate deadline. In principle, we aim for as much consistency and continuity as possible in our public reporting. However, against the backdrop of the current accounting uncertainty arising from the continuing audit of the 2024 financial statements, we have reduced the extent of the content of this Quarterly Statement.

Events after March 31, 2025

On April 24, 2025, the Executive Board of Brockhaus Technologies decided to postpone the Annual General Meeting scheduled for June 25, 2025. This was against the backdrop of the continuing delays in the audit of the consolidated financial statements and the annual financial statements of the Company for fiscal year 2024, which had been triggered by the additional audit procedures and the necessary extensive internal investigations. The Company will announce a new date for the Annual General Meeting in due course.

On May 14, 2025, the publication of the Quarterly Statement Q1 2025, which had been scheduled for May 15, 2025, was postponed to May 30, 2025 so that further insights from the continuing internal investigation could be taken into account. In addition, we announced that the German GAAP annual financial statements for 2024 of the three companies of the Bikeleasing subgroup that are relevant to operations have been issued with unqualified audit opinions by the local auditors. BLS Bikeleasing-Service GmbH & Co. KG, BLS Versicherungs GmbH & Co. KG, and Lesora GmbH are the companies of the subgroup subject to audit requirements and comprise the vast majority of the Brockhaus Technologies Group's operating activities.

The ongoing internal investigations have meanwhile revealed that there are indications of an inaccurate revenue entry at a foreign subsidiary of IHSE in an amount of around €2.2 million in 2024. The responsible local Managing Director has been relieved of his duties with immediate effect. The preliminary earnings figures published on March 7, 2025 did not include this revenue.

With regard to the delayed publication of the 2024 consolidated and annual financial statements of BKHT, the Company is working diligently in close consultation with KPMG to complete the internal investigation and the outstanding audit procedures as soon as possible. New dates for the publication of the financial statements for the 2024 fiscal year and for the Annual General Meeting will be announced in due course.

Group results of operations

The Group's revenue increased by 7.0% to €42,379 thousand in Q1 2025 and total output by 9.5% to €43,785 thousand.

Cost of materials rose faster than revenue, by 51.0%, from €13,355 thousand to €20,172 thousand. The main reason for this was the increased revenue share of resale proceeds of the HR Benefit & Mobility Platform segment in the first quarter, which have a significantly higher material usage than the segment's other revenue components. Personnel expenses were up 39.0% to €13,002 thousand. This disproportionate rise in personnel expenses was primarily due to the increase in headcount following the acquisition of Probonio and the establishment of Bike2Future for the marketing and brokerage of used bikes via B2B and B2C channels, and the associated growth measures. Other operating expenses increased by 55.0% to €10,450 thousand, including in particular expenses of €1,082 thousand in connection with the introduction of a new ERP system at Bikeleasing. In addition, selective growth initiatives in connection with the transformation of the HR Benefit & Mobility Platform segment (from a single-benefit to a multi-benefit platform) and to enable strong long-term growth led to higher expenses.

EBITDA amounted to €589 thousand, a significant decrease compared with the prior-year period (Q1 2024: €11,071 thousand).

Segment results of operations

The Group's revenue growth of 7.0% was driven largely by a 10.9% growth in the HR Benefit & Mobility Platform segment. By contrast, revenue in the Security Technologies segment was down 10.6% year-on-year.

HR Benefit & Mobility Platform

Revenue in the HR Benefit & Mobility Platform segment (**Bikeleasing**, **Probonio** and **Bike2Future**) rose by 10.9% to €35,889 thousand in Q1 2025 (Q1 2024: €32,366 thousand). As of March 31, 2025, the number of companies connected to Bikeleasing's digital platform was 74 thousand, which corresponds to growth of 18.9% over the last twelve months (**LTM**). These corporate customers employed roughly 3.8 million employees as of the reporting date (10.8% LTM growth). The number of new bikes brokered through the Bikeleasing platform in Q1 2025 was 22 thousand, which reflects a decrease of 20.3% compared to Q1 2024 (27 thousand units). In April 2025, unit sales development increased significantly and around 16 thousand new bikes were brokered (April 2024: around 18 thousand bikes). This represents a decline of now only 9.9%, even though April of the previous year was the second-strongest month in terms of unit sales of the year 2024. The months from May through August are normally those with the highest unit sales. The positive development continued in the first three weeks of May (calendar weeks 19 through 21) and positive growth of 6.3% was achieved compared to the prior-year period.

The business of leasing company bicycles is generally subject to strong seasonality in connection with the warm biking season. Accordingly, a significant part of its revenue is generated in the second and third quarters of the year. Even stronger seasonality than in the previous year is expected for fiscal year 2025. Accordingly, a higher percentage of brokered bikes is anticipated for the second and third quarters of 2025 (Q2 and Q3 2024: approximately 69%). Another factor was that the previous year had an unusually strong first half. Of the new bikes brokered in 2024, 58% were attributable to the first half of the year, compared to a long-term average of almost equal shares in the first and second halves of the year. Management therefore expects that the performance in the course of the year will offset the slower start into the 2025 fiscal year.

	Reportable segments							
	HR Benefit & Mobility Platform		Security Technologies		Central Functions and consolidation		Group	
€ thousand	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Revenue	35,889	32,366	6,490	7,258	-	-	42,379	39,624
Revenue growth	10.9%		(10.6%)		-		7.0%	
Gross profit	18,334	21,275	5,186	5,239	92	105	23,613	26,619
Gross profit margin	51.1%	65.7%	79.9%	72.2%			55.7%	67.2%
Adjusted EBITDA	3,382	12,045	314	518	(1,310)	(1,202)	2,386	11,361
Adjusted EBITDA margin	9.4%	37.2%	4.8%	7.1%			5.6%	28.7%

The increase in revenue in the first quarter, despite the decline in the number of brokered bikes, was mainly driven by the significant increase in revenue from the resale of bikes at the end of the lease term. 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. Moreover, the delay in forfeiting one tranche of receivables pushed the recognition of revenue of around €2 million beyond the end of the quarter and therefore had a negative effect on revenue in the reporting period. Since such income from forfeiting is not offset by significant direct costs, the effect on gross profit and on EBITDA was likewise around €2 million.

At 51.1%, the gross profit margin was below the prior-year period (Q1 2024: 65.7%). The main reason for this was the increased revenue share of resale proceeds, which generally have a significantly lower gross profit margin than the segment's other revenue components. In addition, the weaker biking season in winter is generally affected by considerable price reductions, which are having a stronger negative impact on the gross profit margin this year. The rise in own work capitalized to €397 thousand (Q1 2024: €19 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 86.9% (Q1 2024: 89.1%) and hence slightly below the previous year's level.

At 9.4%, the adjusted EBITDA margin was significantly below the previous year's level (Q1 2024: 37.2%). In addition to the lower gross profit margin, this is due to the significant increase in personnel and other operating expenses to enable the expected strong long-term growth and in connection with the segment's advancing transformation from a single-benefit to a multi-benefit platform. Strictly prioritized growth initiatives in this regard manifested in higher marketing expenses. In addition, the rise in expenses is primarily 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. While no expenses had been incurred for these companies in Q1 2024, their personnel and other operating expenses amounted to around €2.3 million in Q1 2025.

Security Technologies

At €6,490 thousand, revenue in the Security Technologies segment (**IHSE**) in the reporting period decreased by 10.6% year-on-year (Q1 2024: €7,258 thousand). The main reason was the generally subdued market situation, which, compared to Q1 2024, affected above all the EMEA region. At €4,188 thousand, revenue in EMEA significantly declined year-on-year (Q1 2024: €5,500 thousand). In the reporting period, revenue in the Americas region, which amounted to €1,821 thousand, was 24.6% higher than the prior-year figure of €1,461 thousand. At €482 thousand, revenue in the APAC region grew 62.0% year-on-year (Q1 2024: €297 thousand). By the end of May 2025, IHSE was able to make significant revenue gains and is now on par with the previous year for the first five months of the fiscal year.

At 79.9%, the gross profit margin was above the comparative period's level (72.2%). The rise in own work capitalized to €651 thousand (Q1 2024: €204 thousand) had a positive effect on the gross profit margin. This was primarily attributable to an increase in development investments in hardware and software for extender products. Excluding own work capitalized, the segment's gross profit margin was at a consistently high level of 69.9% (Q1 2024: 69.4%).

At 4.8%, the adjusted EBITDA margin was down on the comparative period (Q1 2024: 7.1%). This is mainly due to the lower revenue level combined with fixed costs in the area of personnel and other operating expenses.

IHSE achieved a significant milestone in the global defense and security sector with its Secure Isolated KVM extenders by obtaining the first NIAPC certification. This product category offers the highest level of protection for all data classifications and is now listed in the NATO product catalog.

Central Functions

(not a reportable segment under IFRS)

Expenses in Central Functions increased slightly year-on-year.

Financial position

The Group's cash and cash equivalents as per March 31, 2025 amounted to €41,796 thousand (December 31, 2024: €48,427 thousand). With senior loans of €60,007 thousand, subordinated loans of €10,356 thousand, real estate loans of €66 thousand and current account liabilities of €6,595 thousand, the net debt from loans amounted to €35,228 thousand (December 31, 2024: €24,412 thousand).

Some of the Group's loan agreements contain arrangements on whose basis extensive early repayment obligations may be triggered under certain circumstances. For example, the loans in question are subject to covenants that must be complied with by the subsidiaries funded by the loans. According to preliminary figures, the recently unexpectedly poor results at IHSE led to the contractually agreed maximum level of the financial metric "net debt ratio" being exceeded. The Company has notified the financing partner to that effect. There are contractual options for remedy in case this maximum has been exceeded. The Group is communicating with the financing partner about alternative solutions. Since the financing of the IHSE subgroup is ringfenced, there is no direct impact on Brockhaus Technologies AG or the Bikeleasing subgroup.

Cash flow from operating activities declined significantly to €-7,084 thousand (Q1 2024: €5,246 thousand) or €-6,297 thousand before income tax payments (Q1 2024: €6,701 thousand). The main reasons are the decline in EBITDA and the delay in forfeiting a tranche of lease receivables at Bikeleasing beyond the end of the quarter (see section on HR Benefit & Mobility Platform).

Cash flow from investing activities amounted to €-1,464 thousand (Q1 2024: €-932 thousand). The year-on-year increase resulted mainly from outflows of €1,047 thousand for capitalized development costs, which were significantly higher than in the previous year (Q1 2024: €236 thousand). On the other hand, payments to acquire property, plant and equipment were down on the previous year, at €208 thousand (Q1 2024: €383 thousand), as were payments to acquire intangible assets, which amounted to €209 thousand (Q1 2024: €314 thousand).

Cash flow from financing activities amounted to €-1,465 thousand (Q1 2024: €-1,401 thousand). The main components were interest payments of €948 thousand (Q1 2024: €583 thousand) and repayments of lease liabilities in an amount of €512 thousand (Q1 2024: €395 thousand).

Outlook

Despite the challenging economic environment, Brockhaus Technologies expects organic revenue growth to continue in fiscal year 2025 with strong profitability. However, in light of the preliminary earnings figures for 2024, we are no longer holding to the medium-term outlook issued in June 2023 for fiscal year 2025. A specific forecast for the 2025 fiscal year will, as usual, be published in the Annual Report 2024.

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 and Half-Year Financial Report H1 2024 – that are beyond the Group's control. This applies in particular to the ongoing Russian war of aggression in Ukraine, the Middle East conflict, the continuing supply bottlenecks, China's efforts to decouple itself from the West, domestic and foreign policy uncertainty caused by the change of government in Germany and the USA, high energy costs, the high interest level and the US administration's volatile tariff and trade policy. If the assumptions are not accurate, or if the risks or opportunities described were to materialize, actual results may differ significantly from the expected results.

Financial information

(unaudited)

Condensed consolidated income statement

€ thousand	Q1 2025	Q1 2024
Revenue	**42,379**	**39,624**
Increase/ (decrease) in finished goods and work in progress	358	127
Other own work capitalized	1,047	223
Total output	**43,785**	**39,974**
Cost of materials	(20,172)	(13,355)
Gross profit	**23,613**	**26,619**
Personnel expenses excluding share-based payments	(12,756)	(9,211)
Personnel expenses from share-based payments	(245)	(145)
Other operating expenses	(10,450)	(6,741)
Impairment loss on receivables	(108)	(137)
Other operating income	535	685
EBITDA	**589**	**11,071**

Information on our alternative performance measures can be found on page 8.

Comments on financial information

1. Alternative performance measures

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.

In addition, we adjust for special compliance costs. These include solely the external costs of the ongoing internal investigation, as well as additional expenses for financial statement preparation and auditing arising from it (see section Status of the 2024 financial statements and impact on this quarterly statement).

The adjusted earnings figures include interest income from finance leases of €4,908 thousand (Q1 2024: €4,669 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) do not include lease refinancing expenses. These are shown in the financial result and amounted to €1,652 thousand (Q1 2024: €1,584 thousand).

The Group no longer adjusts the decreased earnings from value step-up, which amounted to €100 thousand in the reporting period (Q1 2024: €189 thousand).

Calculation of adjusted EBITDA

€ thousand	Q1 2025	Q1 2024
EBITDA	**589**	**11,071**
Share-based payments	168	101
Personnel expenses from business combinations	222	188
Cost of ERP implementation	1,082	-
Special compliance costs	326	-
Adjusted EBITDA	**2,386**	**11,361**
Adjusted EBITDA margin	*5.6%*	*28.7%*

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

€ thousand	Q1 2025	Q1 2024
Cash flow from operating activities	(7,084)	5,246
Income taxes paid/ (income tax refunds)	787	1,455
Adjusted cash flow from operating activities before tax	**(6,297)**	**6,701**
Cash flow from investing activities	(1,464)	(932)
Free cash flow before tax	**(7,761)**	**5,769**

2. Operating segments

Key performance indicators by operating segment

	Reportable segments											
	HR Benefit & Mobility Platform		Security Technologies		Total		Central Functions		Reconciliation		Group	
€ thousand	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Revenue	35,889	32,366	6,490	7,258	42,379	39,624	166	385	(166)	(385)	42,379	39,624
Gross profit	18,334	21,275	5,186	5,239	23,521	26,514	166	385	(73)	(280)	23,613	26,619
Adjusted EBITDA	**3,382**	**12,045**	**314**	**518**	**3,696**	**12,563**	**(1,313)**	**(1,169)**	**3**	**(34)**	**2,386**	**11,361**
Trade working capital	27,834	16,030	12,079	14,164	39,913	30,194	(215)	316	(1,016)	(324)	38,682	30,186
Cash and cash equivalents	27,001	28,107	2,243	4,673	29,244	32,779	12,552	23,217	-	-	41,796	55,996
Financial liabilities from lease refinancing	157,534	167,018	-	-	157,534	167,018	-	-	-	-	157,534	167,018
Interest income from finance leases	4,908	4,669	-	-	4,908	4,669	-	-	-	-	4,908	4,669
Revenue by region												
EMEA	**35,889**	**32,366**	**4,188**	**5,500**	**40,077**	**37,866**	**166**	**385**	**(166)**	**(385)**	**40,077**	**37,866**
Germany	34,454	31,745	1,699	1,356	36,153	33,101	166	385	(166)	(385)	36,153	33,101
Other	1,436	621	2,489	4,144	3,924	4,765	-	-	-	-	3,924	4,765
Americas	**-**	**-**	**1,821**	**1,461**	**1,821**	**1,461**	**-**	**-**	**-**	**-**	**1,821**	**1,461**
USA	-	-	1,821	1,426	1,821	1,426	-	-	-	-	1,821	1,426
Other	-	-	-	35	-	35	-	-	-	-	-	35
APAC	**-**	**-**	**482**	**297**	**482**	**297**	**-**	**-**	**-**	**-**	**482**	**297**
China	-	-	42	22	42	22	-	-	-	-	42	22
Other	-	-	439	275	439	275	-	-	-	-	439	275
Total	**35,889**	**32,366**	**6,490**	**7,258**	**42,379**	**39,624**	**166**	**385**	**(166)**	**(385)**	**42,379**	**39,624**

52.09% of the income, expenses, assets and liabilities of the HR Benefit & Mobility Platform segment are attributable to the shareholder Brockhaus Technologies AG. An exception to this concerns financial liabilities from subordinated loans of €10,356 thousand (December 31, 2024: €10,298 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. 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.

Supplementary information

Financial calendar

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 (Frankfurt Stock Exchange). It does not constitute an interim financial report in accordance with IAS 34 or financial statements in accordance with IAS 1. This Quarterly Statement was not subject to review by an auditor and it should be read in conjunction with the 2023 Consolidated Financial Statements, the 2023 Combined Management Report, the H1 2024 Half-Year Financial Report, as well as the 9M 2024 Quarterly Statement, and the information contained therein. Those documents are available on our website www.brockhaus-technologies.com in the Investor Relations section.

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, 2025, to March 31, 2025. The **reporting date** is March 31, 2025. In addition, comparative information is provided for the period from January 1, 2024, to March 31, 2024 (**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.

Contact information

Florian Peter
T +49 69 20 43 40 90
F +49 69 20 43 40 971
ir@brockhaus-technologies.com

Legal notice

Brockhaus Technologies AG
Thurn-und-Taxis-Platz 6
60313 Frankfurt am Main, Germany
T +49 69 20 43 40 90
F +49 69 20 43 40 971
info@brockhaus-technologies.com
www.brockhaus-technologies.com

Executive Board: Marco Brockhaus (Chair), Dr. Marcel Wilhelm
Chair of the Supervisory Board: Dr. Othmar Belker

Registry court: Frankfurt am Main Local Court
Register number: HRB 109637
VAT ID: DE315485096