

## search result

Surname	area	information	V. date
BioSpring Society for Biotechnology mbH Frankfurt am Main	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020	03/17/2022

## BioSpring Society for Biotechnology Ltd

Frankfurt am Main

### Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020

#### Management report for the 2020 financial year

##### 1. COMPANY

BioSpring is a contract manufacturer of high and reliable quality synthetic oligonucleotides for the medical-pharmaceutical sector. The company is certified according to GMP (principles for active ingredients according to Article 47 of Directive 2001/83/EC), ISO 13485: 2016, ISO 9001: 2015.

Manufacturing areas include:

Therapeutic Manufacturing: Manufacture of oligonucleotides under GMP for use as active ingredients in therapeutic applications. BioSpring supplies and supports pharmaceutical and biotech companies from early development through clinical trials to the approved drug.

Diagnostic Manufacturing: Manufacture of oligonucleotides under ISO 13485 for use in diagnostics, BioSpring supplies and supports from early development through to the approved market.

Research Purposes Manufacturing: Synthetic oligonucleotides for use in research in various areas such as therapy or diagnostics.

All types of analytical services for oligonucleotides are offered in the "analytical services" area. These include all types of analysis for the testing or release of oligonucleotide drugs and drugs based on oligonucleotides.

Note: Non-stock report component that was not an audit subject as part of the annual audit (IDW PS 350 nF)

##### 2. DEVELOPMENT OF THE INDUSTRY AND THE OVERALL ECONOMY

###### 2.1 Overall economic development and framework conditions

The price-adjusted gross domestic product in 2020 was 5% lower than in the previous year. After a ten-year growth phase in the Corona crisis year 2020, the German economy has thus fallen into a deep recession, similar to the last time during the financial and economic crisis of 2008/2009. However, according to preliminary calculations, the economic slump in 2020 was less severe overall than in 2009 at -5.7%.

The corona pandemic left clear traces in almost all economic sectors in 2020. Production was massively restricted both in the service sectors and in the manufacturing sector. In the manufacturing sector excluding construction, which accounts for a good quarter of the overall economy, price-adjusted economic output fell by 9.7% compared to 2019, and in manufacturing by as much as 10.4%. The industry was particularly affected by the consequences of the corona pandemic in the first half of the year, among other things due to the global supply chains being disrupted at times.

The economic downturn was particularly evident in the service sectors, some of which recorded sharper declines than ever before. An example of this is the combined economic sector of trade, transport and hospitality, whose economic output, adjusted for price, was 6.3% lower than in 2019. There were definitely opposing developments: online trade increased significantly, while stationary trade was in some cases deeply in the red. The severe restrictions in accommodation and catering led to a historic decline in the hospitality industry.

One area that was able to hold its own during the crisis was the construction industry: the price-adjusted gross value added here even increased by 1.4% compared to the previous year.

The effects of the corona pandemic were also clearly visible on the demand side. Unlike during the financial and economic crisis, when overall consumption supported the economy, price-adjusted private consumer spending fell by 6.0% in 2020 compared to the previous year and was thus stronger than ever. On the other hand, government consumer spending had a stabilizing effect with a price-adjusted increase of 3.4%, including in the Corona crisis, to which the procurement of protective equipment and hospital services contributed, among other things.

At -3.5%, price-adjusted gross fixed capital formation recorded the most significant decline since the financial and economic crisis of 2008/2009. Contrary to this trend, investments in construction increased by 1.5%. On the other hand, 12.5% less was invested in equipment in 2020, adjusted for price, than in the previous year.

The corona pandemic also had a massive impact on foreign trade: exports and imports of goods and services fell in 2020 since 2009, exports price-adjusted by 9.9%, imports by 8.6%. The decline in service imports was particularly large, which was mainly due to the high proportion of the sharp decline in travel.

The economic output was generated on average in 2020 by 44.8 million employees with their place of work in Germany. That was 477,000 people or 1.1% fewer than in 2019. This ended the 14-year increase in employment due to the corona pandemic, which had even survived the financial and economic crisis of 2008/2009. Particular employees and the self-employed were particularly affected, while the number of employees subject to social security contributions remained stable.

The extended regulations on short-time work in particular are likely to have prevented layoffs here.

Source: Federal Statistical Office, press release no. 020 from 01/14/2021

###### 2.2 World economic situation

After the strong increase in production in the summer of 2020, the global economy continued to recover in the winter half of last year. For 2020 as a whole, global production will fall by 3.3%. Although this is the sharpest slump in the global economy since the Second World War, it is significantly less than was expected in the middle

of the year or in the autumn. Despite the second wave of the pandemic, global economic activity is likely to remain on an upward trend in the first quarter of 2021.

Industrial production and world trade have already almost fully recovered and appear to be little affected by the second wave of the pandemic. Goods production has been rapidly approaching its pre-crisis level since the middle of last year and global industrial production was already 1.3% higher in December 2020 than in December 2019 before the outbreak of the Covid-19 crisis. Unlike industrial production and trade in goods, the international service business has hardly recovered to date. Travel in particular is still deep in the crisis.

The extent of the economic recovery that has taken place so far varies significantly between countries. The European economy slipped back into recession. In the euro area, gross domestic product fell by 0.7% in the fourth quarter of 2020; a further contraction is to be expected for the first quarter of 2021. However, the decline in overall economic production should not be dramatic and should be followed by a strong recovery in the summer months. On the basis of purchasing power parities, global production is likely to increase by 6.7% in 2021 and by 4.7% in 2022 and will thus only be slightly below the pre-crisis path at the end of the forecast period.

Source: World economy in spring 2021, Kiel Economic Reports

### 2.3 Economic development in Germany

2020 was a turbulent year for the German economy. In the course of the pandemic containment measures, there was a historic slump in economic output in almost all sectors of the economy in the second quarter. Gross domestic product fell by 5.0% last year. After an initial rapid recovery, the German economy is now gradually fighting its way out of the crisis.

For the current year, the federal government expects an increase in the price-adjusted gross domestic product (GDP) of 3.0%. It can be assumed that economic output in the first quarter will still be significantly affected by the pandemic. In the further course, after the pandemic situation has stabilized through the vaccination of larger population groups and the lifting of restrictions on public life, the economy should pick up speed again. In principle, however, the development of the economy will initially remain divided: A service sector, which has been more severely affected by the pandemic, is opposed to a robustly developing industry.

After a moderate increase in employment at the beginning of the year, a somewhat more significant increase in employment is to be expected from the second quarter as the economy recovers. In the current year, employment is expected to stagnate and the number of registered unemployed will fall slightly. The economic output before the crisis is not likely to be reached again until mid-2022. Economic development will continue to be significantly influenced by the course of the pandemic and the containment measures.

Source: Annual Economic Report 2021 - BMWi

### 2.4 Industry Development

The industry once again developed very positively in the past year. The demand for the products and services we offer increased significantly again in the 2020 financial year. In the current year, the industry turnover is expected to amount to 2.9 billion euros. This corresponds to an increase in sales of 5.1% compared to the previous year. The importance of our products in the therapeutic area as well as in research and development is constantly increasing.

Source: GERMANY INDUSTRY REPORTS - Research and development in the field of biotechnology

## 3. BUSINESS DEVELOPMENT

### 3.1 Results of operations

Our company was able to participate in the positive industry development in the 2020 financial year. We did not record any negative effects due to the corona pandemic in the past financial year. At EUR 61,422 thousand (previous year: EUR 42,954 thousand), the company's sales are approx. 43.0% above the previous year's figure.

At EUR 20,079 thousand (previous year: EUR 19,598 thousand), the cost of materials is only slightly above the previous year's figure. In comparison to sales, the increase in cost of sales is clearly disproportionate. The cost of materials ratio fell from 44.6% to 31.1% and is at a low level compared to the previous year. On the one hand, this development is due to a correction in the current account, which became necessary as part of the adjustment of the inventory valuation method, as well as to shifts within the cost structure of the individual projects. Adjusting the cost of materials ratio for the previous year for the one-time correction effect results in a ratio of 39.4%.

Personnel expenses increased by EUR 4,723 thousand from EUR 10,075 thousand in the previous year to EUR 14,798 thousand. This development is mainly due to the increase in the number of employees compared to the previous year.

Other operating income increased by EUR 3,327 thousand, mainly due to the one-off effect from the correction of an error in the previous year.

At EUR 11,785 thousand (previous year: EUR 7,403 thousand), other operating expenses are significantly higher than in the previous year. Essentially, the increase in commissions and warranty expenses should be mentioned here.

Due to the effects mentioned above, EBIT increased by EUR 11,525 thousand to EUR 16,593 thousand (previous year: EUR 5,068 thousand) in the financial year. In the financial year, the company generated a net profit for the year of EUR 11,245 thousand (previous year: EUR 3,428 thousand), which corresponds to an increase of EUR 7,818 thousand.

The management is satisfied with the development in the past financial year. We were again able to exceed the forecast sales in the financial year. At EUR 11,245 thousand, we were able to exceed the net income targets set for the previous year and are well above the forecast value. This development is mainly due to the increased sales.

### 3.2 Assets

As of the balance sheet date, the balance sheet total was EUR 61,969 thousand. Compared to the previous year, it increased by EUR 16,394 thousand (+35.9%). At 43.9%, the equity ratio is above the previous year's level (37.3%). This development is essentially due to the annual surplus, the profit distribution policy and the development of the balance sheet total.

Fixed assets increased by EUR 4,700 thousand to EUR 15,723 thousand due to investments made in the amount of EUR 7,739 thousand, offset by depreciation of EUR 3,033 thousand. Current assets (excluding liquid funds) and prepaid expenses increased by EUR 10,107 thousand. The key factor here is the development of inventories as a result of the balance sheet date, which increased by EUR 9,652 thousand compared to the previous year, mainly due to volume effects.

### 3.3 Financial Condition

With an orderly asset and financial position, we see an essential prerequisite for being able to work successfully in the future. We expect to be able to meet our financial obligations at any time as sufficient liquidity is available at short notice. The financial situation can be described as very solid. Liabilities are settled within the payment period and receivables are collected within the payment terms.

Cash and cash equivalents increased by EUR 1,568 thousand in the past financial year. Investing activities were fully financed from the operating cash flow.

### 3.4 Personnel

The company employed 246 people on average over the year.

### 3.5 Key financial performance indicators

In the case of the financial control indicators that are relevant to our economic situation, our focus is on the continuous monitoring of sales, EBIT and liquidity.

### 3.6 Further developments in the financial year

In the past fiscal year 2020, the company made investments in new production and analysis devices. In addition, the company has further expanded the location in Alt-Fechenheim and secured it for the long term. In December 2020, new office space was rented for the administration on Hanauer Landstraße, opposite the industrial park.

### 3.7 Investment Activities

Due to the continuing increase in demand for our products and services, we will continue to expand production capacities in 2020. The probable investment volume here will be > EUR 4.0 million.

#### 4. OPPORTUNITY AND RISK REPORT

##### 4.1 Risk Management System

Entrepreneurial activity takes place in the field of tension between opportunities and risks. Dealing with risks responsibly is a basic requirement for sustainable business success. Risks can arise from internal processes and actions, but above all from the operational business.

The internal control system has the task of ensuring compliance with all legal regulations, internal rules and instructions and preventing damage caused by fraudulent activities. For this purpose, the procedural regulations, instructions and guidelines are systematically laid down. Compliance with legal regulations and internal company rules is checked regularly.

The risk management system has the task of identifying operational risks at an early stage in order to take appropriate measures to avert imminent damage to the company and to rule out any threat to the company as a going concern. In this way, dangers can be identified, evaluated and counteracted in good time. The company is willing to take manageable risks that are proportionate to the benefits expected from the business activity.

The aim of the company's risk management with regard to the use of financial instruments is to secure the company's success against financial risks of any kind. The avoidance of such risks is the priority here. The company is exposed to price change risks, default and liquidity risks as well as risks from cash flow fluctuations to the extent customary in the industry. Appropriate value adjustments are made to the extent that default and credit risks are identified for financial assets. To minimize the risk of default, the company has an accounts receivable management system with an adequate dunning system.

The basis of the risk management system is essentially the ongoing reporting of monthly key figures and analyzes of deviations from plans and comparative periods.

The main risk areas and individual risks are explained below from the totality of the risks observed, which from the current perspective could have a significant impact on the assets, financial or earnings situation of the company.

##### 4.2 Competition and Market Risks

Possible competition risks continue to lie in an increasing number of competitors. In addition, competition and market risks could also arise on the customer side, for example as a result of vertical product expansion.

##### 4.3 Economic risks

A sustained economic slowdown, particularly as a result of the corona virus and the associated second wave, could also have a negative impact on our customers' demand for the products. However, we currently do not see any specific risks in the short- and medium-term development of demand in the main sales markets. Demand continues to rise.

##### 4.4 IT Risk

To support and control the company, the company has a modern and future-oriented IT structure, which provides all decision-makers with all relevant and necessary information in a timely manner. This is becoming increasingly important, as opportunities can also be positively influenced by IT structures. The control of our company is largely dependent on IT systems and IT-based business processes. A failure of the IT system or sabotage by an external attack pose a particular risk. We counter this risk through permanent investments in the IT infrastructure, the training of our employees and the consultation of external experts.

##### 4.5 Tax Risks

For assessment periods that have not yet been finally audited, there may be changes that can lead to additional tax payments if the tax authorities come to different interpretations of tax regulations or different assessments of the underlying facts as part of external tax audits.

##### 4.6 Opportunity Report

Both the development and introduction of new products and product categories as well as an expansion of the product portfolio will result in growth opportunities. The areas of application and the demand for the products and services we offer will continue to increase in the future.

We see another opportunity in the expertise we have built up, which will also enable us to be successful in the future.

#### 5. FORECAST REPORT

##### 5.1 Expected development of the overall economy and industry

For the year 2021, the federal government expects an increase in the price-adjusted gross domestic product (GDP) of 3%. It can be assumed that economic output in the first quarter will still be significantly affected by the pandemic. With the increasing stabilization of the pandemic situation and the lifting of the restrictions on public life, the economy should pick up speed again.

Nevertheless, the economic output before the crisis will probably not be reached again until mid-2022. Economic development will continue to be significantly influenced by the course of the pandemic and the containment measures.

##### 5.2 Expected development of the company

We continue to assess the expected development of the company positively.

By constantly continuing the business and by carefully observing the market, we will also be able to serve the demand for innovative products and services in the future.

For 2020, we are assuming a renewed increase in sales due to continued good demand. For the 2020 financial year, we are planning sales of around EUR 77.4 million (+26%) with an annual result of around EUR 7,200 thousand.

Management expects the company's asset, financial and earnings situation to continue to develop positively.

Due to the economic situation, the continued existence of the company is secured. There are no risks that could jeopardize the existence of the company. From the current perspective, the risks described above are manageable.

#### Signatures of the directors

Frankfurt am Main, June 30, 2021

*signed Dr. Sylvia Wojczewski*

*signed Dr. Huseyin Aygun*

#### balance sheet

##### assets

	12/31/2020	12/31/2019
	EUR	EUR
A. Fixed assets	15,723,908.43	11,022,643.54

	12/31/2020 EUR	12/31/2019 EUR
I. Intangible assets	306,463.00	175,712.00
1. Purchased concessions, industrial property rights and similar rights and values, as well as licenses to such rights and values	306,463.00	175,712.00
II. Tangible assets	15,417,295.43	10,846,781.54
1. Land, land rights and buildings, including buildings on third-party land	670,629.31	491,105.00
2. technical installations and machines	9,217,937.95	3,736,298.00
3. Other facilities, fixtures and fittings	5,118,439.53	4,957,299.00
4. Payments on account and assets under construction	410,288.64	1,662,079.54
III. financial assets	150.00	150.00
1. Cooperative Shares	150.00	150.00
B. Current Assets	45,691,463.73	34,015,269.16
I. Inventories	17,850,963.18	8,198,853.26
1. Raw, auxiliary and operating materials	9,926,197.00	348,837.80
2. Work in progress, work in progress	7,888,312.77	7,632,264.92
3. finished goods and goods	0.00	183,376.73
4. advance payments made	36,453.41	34,373.81
II. Receivables and other assets	5,199,404.98	5,121,585.98
1. Trade accounts receivable	4,683,496.16	4,339,637.29
2. other assets	515,908.82	781,948.69
III. securities	377,346.15	0.00
1. other securities	377,346.15	0.00
IV. Cash on hand, Bundesbank balances, bank balances and checks	22,263,749.42	20,694,829.92
C. Prepaid expenses	553,567.65	538,396.04
Total assets, total assets	61,968,939.81	45,576,308.74

**liabilities**

	12/31/2020 EUR	12/31/2019 EUR
A. Equity	27,252,562.31	17006717.41
I. Drawn capital	27,609.76	27,609.76
1. Treasury shares - openly deducted from subscribed capital	-613.55	-613.55
2. Called-up Capital	26,996.21	26,996.21
II. Balance sheet profit	27,225,566.10	16,979,721.20
B. Provisions	5,130,760.84	2,988,211.79
1. Provisions for taxes	3,646,610.84	684,391.00
2. other provisions	1,484,150.00	2,303,820.79
C. Liabilities	29,585,616.66	25,581,379.54
1. Liabilities to banks	0.00	50.66
2. Advance payments received on orders	26,480,630.86	20,972,920.80
3. Trade Accounts Payable	2,877,464.22	3,575,269.93
4. other liabilities	227,521.58	1,033,138.15
from taxes	201,499.14	639,070.65
of which in the context of social security	120.23	0.00
Balance sheet total, total liabilities	61,968,939.81	45,576,308.74

**Profit and Loss Account**

	1/1/2020 - 12/31/2020 EUR	1/1/2019 - 12/31/2019 EUR
1. Revenue	61,422,466.46	42,954,197.92
2. Increase or decrease in inventories of finished goods and work in progress	979,727.19	457,488.70
3. other operating income	3,914,592.01	589,013.34
of which income from currency translation	61,338.13	117,371.80
4. Cost of Materials	20,079,041.52	19,598,030.33
a) Expenses for raw materials, auxiliary materials and supplies and for purchased goods	18,798,153.37	18,605,480.71
b) Expenses for purchased services	1,280,888.15	992,549.62
5. Personnel expenses	14,797,518.77	10,075,468.79
a) Wages and salaries	12,595,845.07	8,608,398.35
b) social security contributions and expenses for pensions and for assistance	2,201,673.70	1,467,070.44
of that for pensions	10,483.82	1,136.21
6. Depreciation	3,061,500.35	1,855,447.24
a) Depreciation of intangible assets and property, plant and equipment	3,033,745.35	1,855,447.24
b) on current assets, insofar as these exceed the usual depreciation in the corporation	27,755.00	0.00
7. other operating expenses	11,785,561.04	7,402,252.65

	1/1/2020 - 12/31/2020	1/1/2019 - 12/31/2019
	EUR	EUR
8. Income from other securities and loans classified as financial assets	3.00	0.00
9. other interest and similar income	18,082.23	53.62
10. Interest and Similar Expenses	1,976.82	561.17
11. Income Taxes	5,363,183.49	1,632,575.50
12. Earnings after taxes	11,246,088.90	3,436,417.90
13. other taxes	244.00	7,868.57
14. Net Income	11,245,844.90	3,428,549.33

### Appendix for the 2020 financial year

#### I. General information on the annual financial statements

The balance sheet and the profit and loss account are structured according to the provisions of the Commercial Code.

As of the balance sheet date, the company has the size characteristics of a large corporation in accordance with Section 267 (3) HGB.

Information on the identification of the company according to the register court:

Company:	BioSpring Society for Biotechnology Ltd
Seat:	Frankfurt am Main
Registration court:	Frankfurt am Main
registration court number	43255

With reference to the protection clause (§ 286 Para. 4 HGB), it is not necessary to state the remuneration in accordance with Section 285 No. 9 Letters a) and b).

#### II. Information on accounting and valuation methods

The annual financial statements as of December 31, 2020 were prepared on the basis of the accounting and valuation regulations of Book Three of the HGB.

The following **accounting and valuation** methods were applied in detail:

Acquired **intangible assets** are recognized at cost and amortized over their expected useful life.

**Property, plant and equipment** are stated at historical acquisition or production cost less scheduled depreciation. The performance is proven beyond a doubt in the investment accounting.

Scheduled **depreciation** was carried out on a straight-line basis according to the expected useful life of the assets and in accordance with tax regulations.

The additions to **low-value assets** were written off in full in accordance with Section 6 (2) EStG.

In previous years, additions to **low-value assets** with acquisition or production costs of more than EUR 150.00 and no more than EUR 1,000.00 were created as a collective item in accordance with Section 6 (2a) of the Income Tax Act. This collective item is released in the year of formation and in the following four financial years with a fifth of profit reduction.

**Financial assets** were valued at acquisition cost, if the applicable values on the balance sheet date were lower, these were recognized.

Inventories **were recognized** at acquisition or production cost. If the daily values on the balance sheet date were lower, they were used.

**Raw materials, consumables and supplies** as well as work in **progress and finished goods** are stated at acquisition cost or production cost. If the purchase or sales prices were lower on the balance sheet date, these were recognized. The production costs include all individual costs that must be capitalized as well as appropriate parts of the overhead costs and the depreciation.

**Receivables and other assets** are stated at their nominal value less any necessary value adjustments. The general credit risk is taken into account in the form of flat-rate discounts.

Short-term **securities held as current assets** are stated at acquisition cost, taking into account the strict lower of cost or market principle in accordance with Section 253 (4) HGB.

**Cash** and cash equivalents are stated at their nominal value.

**Accruals** and deferrals for deferred expenses have been formed in accordance with commercial law regulations.

The **subscribed capital (share capital)** is recognized at nominal value.

**Provisions for contingent liabilities** have been set up based on prudent business judgment and recognized and valued in accordance with tax regulations.

**Liabilities** were recognized at their settlement amount.

**Receivables and liabilities** in foreign currencies are valued at the average spot exchange rate on the balance sheet date. If the exchange rate on the day of the transaction was lower for receivables or higher for liabilities, this is used. Section 256a HGB was also taken into account.

#### III. Balance sheet information

The development of the assets recorded in the balance sheet is shown in the **asset** movement schedule.

**The receivables from shareholders** to be reported in accordance with Section 42 (3) GmbHG amounted to EUR 2,169.34 on the balance sheet date (previous year: EUR 258.27). They are reported under other assets.

**All receivables and other assets** shown in detail are due within one year.

The profit carried forward from the previous year in the retained earnings amounts to EUR 15,979,721.20 (previous year: EUR 13,551,171.87).

The **other provisions** totaling EUR 1,484,150.00 relate to warranties, bonuses, the handicapped tax, personnel costs and the costs of preparing and auditing the annual financial statements.

**With the exception of one loan, all of the liabilities** shown in detail are due within a year. The loan has a term of between one and five years in the amount of EUR 12,782.30 (previous year: 12,782.30).

The following table of **liabilities** provides information on maturities:

	Total	of which remaining	of which remaining	of which remaining
	EUR	term up to 1 year	term more than 1 year	term more than 5 years
	EUR	EUR	EUR	EUR
1. Liabilities to banks	0.00	0.00	0.00	0.00

	Total EUR	of which remaining term up to 1 year EUR	of which remaining term more than 1 year EUR	of which remaining term more than 5 years EUR
(Previous year)	50.66	50.66	0.00	0.00
2. Deposits Received on Orders	26,480,630.86	26,480,630.86	0.00	0.00
Previous year	20,972,920.80	20,972,920.80	0.00	0.00
3. Trade Accounts Payable	2,877,464.22	2,877,464.22	0.00	0.00
Previous year	3,575,269.93	3,575,269.93	0.00	0.00
4. other liabilities	227,521.58	214,739.28	12,782.30	0.00
Previous year	1,033,138.15	1,020,355.85	12,782.30	0.00
- thereof from taxes	(201,499.14)	(201,499.14)	0.00	0.00
Previous year	(639,070.65)	(639,070.65)	0.00	0.00
- of which within the framework of social security	(120.23)	(120.23)	0.00	0.00
Previous year	(0.00)	(0.00)	0.00	0.00
	29,585,616.66	29,572,834.36	12,782.30	0.00

#### Contingent liabilities from other financial obligations not recognized in the balance sheet

In addition to the liabilities shown in the balance sheet, there are other financial obligations of EUR 9,750 thousand. These are obligations from existing leases. Approximately EUR 900 thousand of this is due within one year.

type of deals	purpose	advantages	risks
Rental/ leasing contracts	financing	Optimization of the equity ratio/ balance sheet total	financial obligation

#### IV. Information on the profit and loss account

The profit and loss account was drawn up using the nature of expense method.

Other operating income includes income from other periods in the amount of EUR 3,500 thousand from the correction of an error in the current account in the previous year. Comparability with the previous year is therefore only possible to a limited extent. The correction was made as a result of an adjustment to the inventory valuation method.

The other operating expenses include expenses from currency translation in the amount of EUR 56,818.70 (previous year EUR 230,580.01).

The taxes relate exclusively to the result of ordinary business activities.

#### V. Other information

1. The following employee groups were employed by the company during the financial year:

employee	249
executives	4
In total	253

2. Management

The following are appointed as managing directors and entered in the commercial register:

Miss Dr. Sylvia Wojczewski, graduate chemist, Frankfurt am Main, technical and commercial director

Dr. Hüseyin Aygün, graduate chemist, Frankfurt am Main, technical and commercial director

The managing directors have sole power of representation and are exempt from the restrictions of § 181 BGB.

Use was made of the protective clause of Section 286 (4) HGB.

### 3. Proposal for the appropriation of earnings

The management of BioSpring Gesellschaft für Biotechnologie mbH proposes carrying forward the balance sheet profit of EUR 27,225,566.10 to new account.

4. Auditor's Fees

The auditor's fee amounts to EUR 40 thousand. EUR 17 thousand of this relates to the audit and EUR 23 thousand to tax advice.

5. Supplementary report

There is nothing to report on events of particular importance after the end of the financial year within the meaning of Section 285 No. 33 HGB new version.

6. Management Signature

Frankfurt am Main, June 30, 2021

*signed Dr. Sylvia Wojczewski*

*signed Dr. Huseyin Aygun*

#### fixed asset schedule

	Acquisition and production costs				
	Lecture 01.01.2020 EUR	Additions EUR	Transfers EUR	Departures EUR	As of 12/31/2020 EUR
I. Intangible assets					
purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	421,424.65	224,797.29	0.00	0.00	646,221.94
Total intangible assets	421,424.65	224,797.29	0.00	0.00	646,221.94
II. Tangible assets					

## Acquisition and production costs

	Lecture 01.01.2020 EUR	Additions EUR	Transfers EUR	Departures EUR	As of 12/31/2020 EUR
1. Land, land rights and buildings, including buildings on third-party land	652,353.59	148,663.98	102,980.53	0.00	903,998.10
2. technical installations and machines	4,596,634.50	5,691,714.57	1,233,763.08	4,595.40	11,517,516.75
3. Other facilities, fixtures and fittings	11,840,001.94	1,673,357.40	-84,952.71	0.00	13,428,406.63
4. Payments on account and assets under construction	1,662,079.54	0.00	-1,251,790.90	0.00	410,288.64
Total property, plant and equipment	18,751,069.57	7,513,735.95	0.00	4,595.40	26.260.210.12
III. financial assets					
cooperative shares	150.00	0.00	0.00	0.00	150.00
Total financial assets	150.00	0.00	0.00	0.00	150.00
Total Fixed Assets	19,172,644.22	7,738,533.24	0.00	4,595.40	26,906,582.06
			depreciation		
	01/01/2020 EUR	Additions EUR	Transfers EUR	Departures EUR	12/31/2020 EUR
I. Intangible assets					
purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	245,712.65	94,046.29	0.00	0.00	339,758.94
Total intangible assets	245,712.65	94,046.29	0.00	0.00	339,758.94
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	161,248.59	72,120.20	0.00	0.00	233,368.79
2. technical systems and machines	860,336.50	1,440,314.70	0.00	1,072.40	2,299,578.80
3. Other facilities, fixtures and fittings	6,882,702.94	1,427,264.16	0.00	0.00	8,309,967.10
4. Payments on account and assets under construction	0.00	0.00	0.00	0.00	0.00
Total property, plant and equipment	7,904,288.03	2,939,699.06	0.00	1,072.40	10,842,914.69
III. financial assets					
cooperative shares	0.00	0.00	0.00	0.00	0.00
Total financial assets	0.00	0.00	0.00	0.00	0.00
Total Fixed Assets	8,150,000.68	3,033,745.35	0.00	1,072.40	11,182,673.63
				book value	
				12/31/2020 EUR	12/31/2019 EUR
I. Intangible assets					
purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values				306,463.00	175,712.00
Total intangible assets				306,463.00	175,712.00
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land				670,629.31	491,105.00
2. technical systems and machines				9,217,937.95	3,736,298.00
3. Other facilities, fixtures and fittings				5,118,439.53	4,957,299.00
4. Payments on account and assets under construction				410,288.64	1,662,079.54
Total property, plant and equipment				15,417,295.43	10,846,781.54
III. financial assets					
cooperative shares				150.00	150.00
Total financial assets				150.00	150.00
Total Fixed Assets				15,723,908.43	11,022,643.54

## other report components

Information on the determination:

The annual financial statements were approved on June 30, 2021.

## audit report

To BioSpring Gesellschaft für Biotechnologie mbH, Frankfurt am Main

## audit opinions

We have the annual financial statements of BioSpring Gesellschaft für Biotechnologie mbH, Frankfurt am Main, - consisting of the balance sheet as of December 31, 2020 and the income statement for the financial year from January 1, 2020 to December 31, 2020 and the notes, including the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of BioSpring Gesellschaft für Biotechnologie mbH, Frankfurt am Main, for the fiscal year from January 1, 2020 to December 31, 2020.

According to our assessment based on the knowledge gained during the audit

- The attached annual financial statements comply in all material respects with the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of December 31, 2020 and its earnings position for the financial year from January 1, 2020 to December 31, 2020 and
- the attached management report as a whole provides an accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with § 322 Para. 3 Sentence 1 HGB, we declare that our audit has not led to **any objections** to the regularity of the annual financial statements and the management report.

#### **Basis for the test results**

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code, taking into account the German generally accepted auditing principles established by the Institute of Public Auditors in Germany (IDW). Our responsibility under those requirements and standards is further described in the "Auditor's responsibility for the audit of the financial statements and management report" section of our auditor's report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe

#### **Responsibility of the legal representatives for the annual financial statements and the management report**

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law provisions applicable to corporations in all material respects, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial - and results of operations of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual financial statements,

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

In addition, the legal representatives are responsible for preparing the management report, which as a whole provides a suitable view of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the management report be able.

#### **Auditor's responsibility for the audit of the annual financial statements and the management report**

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the management report as a whole provides a suitable view of the company's position and, in all material respects, with the annual financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the annual financial statements and on the management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, taking into account the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude.

Furthermore

- We identify and assess the risks of material - intentional or unintentional - misstatements in the annual financial statements and in the management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- We gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these systems of society.
- We evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Company's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the financial statements and management report in the auditor's report or, if such disclosures are inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- We assess the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial and earnings situation of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We discuss with those charged with governance, among other things, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

**Offenbach am Main, June 30, 2021**

**HaackSchubert GmbH AUDITING  
COMPANY**

*Hartmut W. Schubert, auditor*

