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BioSpring Society for Biotechnology Ltd

Frankfurt am Main

Annual financial statements for the financial year from January 1st, 2018 to December 31st, 2018**management report****1. COMPANY**

BioSpring is one of the world's leading contract manufacturers of synthetic oligonucleotides with high and reliable quality for the medical and 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.

2. DEVELOPMENT OF THE INDUSTRY AND THE OVERALL ECONOMY**2.1 Overall economic development and framework conditions**

At the beginning of 2019, the international economy went through a phase of weakness and the strong upswing of the past few years came to an end. A slowdown had been announced for some time, because the mood indicators for companies have been declining since spring 2018. In the second half of 2018, global production then expanded much more slowly than before, and world trade even declined in the final quarter. At the beginning of this year, the global economy appears to be still weak. However, one argument against a further slowdown is that some of the leading indicators have painted a somewhat brighter picture recently.

Key data of the German economy	2016	2017	2018	2019	2020
Real GDP	2.20%	2.20%	1.40%	0.80%	1.80%
Employed persons (in thousands)	43,642	44,269	44,838	45,265	45,531
unemployment rate	6.10%	5.70%	5.20%	4.80%	4.60%
consumer prices	0.50%	1.50%	1.80%	1.50%	1.80%
unit labor costs	1.20%	1.50%	2.60%	3.30%	1.50%
government budget balance					
in billions of euros	28.7	34.0	58.0	41.8	35.6
in % of nom. GDP	0.90%	1.00%	1.70%	1.20%	1.00%
government current account balance					
in billions of euros	265.5	261.9	246.4	225.4	230.2
in % of nom. GDP	8.40%	8.00%	7.30%	6.50%	6.30%

Source: Project group joint diagnosis spring 2019, DIW Berlin

2.2 European Economic Area and EU

The economy in the euro area cooled off during the second half of 2018. Measured by the GDP, growth rates of only +0.1% and +0.2% could be achieved in the third and fourth quarters, while in the previous years an average quarterly growth rate of around +0.4% could be achieved. The reasons given are increased global tensions (trade disputes between the EU and the USA, between the USA and China and the so-called "BREXIT"), weaker global demand and temporary problems in the automotive sector.

Overall, real GDP in the euro area increased by +1.8% in 2018 after growth of +2.5% last year. Increases of +1.8% and +1.6% are forecast for 2019 and 2020. The economy in the Central and Eastern European countries (so-called CEE countries) remained very strong in 2018 and was able to successfully escape the international phase of weakness. This will also affect public infrastructure investment; which were co-financed from the EU structural funds. After +4.7% in 2017, CEE countries were able to; real GDP growth of +4.3% in 2018. For the years 2019 and 2020, growth rates of +3.3% and +3.

Overall, it can be stated that economic growth in 2018 was significantly lower at +2.0% than in the previous year (2017: +2.5%) and will be even weaker in 2019 with a forecast rate of +1.2% target.

Source: Project group joint diagnosis spring 2019, DIW Berlin

2.3 Economic development in Germany

The economy in Germany has cooled down noticeably since mid-2018. Economic output stagnated in the second half of the year and capacity utilization, which had previously been well above average, fell. The long-term upswing has apparently come to an end. The weaker momentum was triggered by both the international environment and industry-specific events. The general global economic conditions have clouded over – also due to political uncertainties; this affects the German export economy. The fact that the slowdown in the second half of 2018 was so pronounced is primarily related to problems in the automotive industry and the low water level in the Rhine. In any case, there were already signs of a weaker rate of expansion, because the proportion of companies reporting production disruptions as a result of a shortage of skilled workers and supply bottlenecks reached historic highs in the middle of last year.

The economy will probably stabilize in 2019, but will not regain the high level of momentum of previous years. The production hindrances caused by the low water no longer exist and the problems with the conversion to the WLTP standard in the automotive industry should soon be overcome. Taken by itself, this would speak for a strong increase in production in the manufacturing sector.

Source: Project group joint diagnosis spring 2019, DIW Berlin

2.4 Industry Development

Basically, from our point of view, the special industry developed very positively in the past financial year. The demand for the products and services we offer increased significantly again in the 2018 financial year. The importance of our products in the therapeutic area as well as in research and development is constantly increasing. At the same time, it is also becoming apparent that the production capacities of the competition are generally being significantly expanded or that new competitors are establishing themselves.

3. BUSINESS DEVELOPMENT

3.1 Results of operations

Our company was able to participate in the positive overall economic development in the 2018 financial year. At EUR 35,540 thousand (previous year: EUR 19,909 thousand), the company's sales are approx. 78.5% above the previous year's figure. The company was able to successfully complete various large-volume GMP projects in the past financial year. The management is very satisfied with the development of the company. Overall, around 86% of sales in the past financial year were realized in third countries, with the remaining sales being generated at 7% in the EU and 7% in Germany.

At EUR 16,021 thousand (previous year: EUR 10,181 thousand), the cost of materials is significantly higher than in the previous year. The development of the cost of materials is mainly due to the increase in sales. The cost of materials ratio adjusted for the change in inventories was 43.6% in the year under review compared to the previous year. This development is essentially due to the declining inventories of raw materials, consumables and supplies.

The company's return on sales fell from 20.27% in the previous year to 14.99%. This is mainly due to the development of the cost of materials described above. Increased depreciation also had a negative effect this year.

Personnel expenses increased by EUR 2,997 thousand from EUR 4,528 thousand in the previous year to EUR 7,525 thousand. This development is mainly due to the increase in the number of employees compared to the previous year.

At EUR 6,142 thousand (previous year: EUR 5,741 thousand), other operating expenses are significantly higher than in the previous year. Essentially, the increase in maintenance measures should be mentioned here.

The EBIT increased by EUR 1,292 thousand to EUR 5,327 thousand (previous year: EUR 4,035 thousand) due to the positive sales development. In the financial year, the company generated a net income of EUR 3,614 thousand (previous year: EUR 2,740 thousand), which corresponds to an increase of EUR 874 thousand.

The management is satisfied with the development in the past financial year. We were able to exceed the sales forecast for the financial year by EUR 2,500 thousand. Unfortunately, with EUR 3,614 thousand, we were not able to achieve the annual net profit targets set for the previous year and are around EUR 900 thousand below the forecast value. This missed target is due in particular to the development of the cost of materials.

3.2 Assets

As of the balance sheet date, the balance sheet total was EUR 36,175 thousand. Compared to the previous year, it increased by EUR 5,034 thousand (+16.2%). At 37.5%, the equity ratio is slightly below the previous year's level (38.4%). This results on the one hand from the significant increase in the balance sheet total and on the other hand from the profit distribution made in the year under review.

Fixed assets increased by EUR 1,565 thousand to EUR 9,037 thousand due to investments made in the amount of EUR 3,461 thousand, offset by depreciation of EUR 1,646 thousand. Current assets (excluding cash and cash equivalents) and prepaid expenses increased by EUR 823 thousand. The main reason for this is the development of inventories and receivables and other assets: Inventories fell by EUR 714 thousand compared to the previous year, which is mainly due to the reduction of raw, auxiliary and operating materials. Contrary to this, trade accounts receivable increased by EUR 2,051 thousand.

Liabilities increased by EUR 2,269 thousand to EUR 20,568 thousand; the increase in prepayments received is a particular value driver here. The debt ratio is 62.5% (previous year 61.6%).

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. The cash flow from current business activities amounts to EUR 7,819 thousand. This is mainly due to the result for the period (TEUR 3,614) and the increase in trade payables and other liabilities (TEUR 2,269). The cash flow from investing activities is EUR -3,202 thousand due to investments made in property, plant and equipment and was fully covered by the operating cash flow. The cash flow from financing activities is EUR -2,001 thousand and is due to the distribution to the shareholders. Cash and cash equivalents at the end of the period amounted to EUR 14,021 thousand. The equipment and machines were financed through equity. 001 and is due to the distribution to the shareholders. Cash and cash equivalents at the end of the period amounted to EUR 14,021 thousand. The equipment and machines were financed through equity. 001 and is due to the distribution to the shareholders. Cash and cash equivalents at the end of the period amounted to EUR 14,021 thousand. The equipment and machines were financed through equity.

3.4 Personnel

The company employed 133 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 cash flow.

3.6 Further developments in the financial year

In the past fiscal year 2018, 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.

3.7 Investment Activities

The company is planning further investments in fixed assets for 2019 in order to be able to maintain the necessary production capacities. Overall, the investment volume will be around EUR 3.0 million and will be fully internally financed.

In addition, we are planning to implement a new ERP system. The investment budget is currently not foreseeable.

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

Competition risks can arise due to a further increase in the 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 downturn could have a negative impact on demand for the products. However, we do not see any significant risks in the short- and medium-term economic development in our main sales markets.

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 and the ongoing research and development work on our part, which will also enable us to be successful in the future.

5. FORECAST REPORT

We 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 2019, we are assuming a renewed increase in sales due to continued good demand. For the 2019 financial year, we are planning significantly increasing sales of around EUR 41.0 million (+15.3%) with annual earnings in a range of around EUR 5,000k to around EUR 5,700k (+38.3%).

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, November 5, 2019

signed Dr. Sylvia Wojczewski

signed Dr. Huseyin Aygun

balance sheet

assets

	12/31/2018 EUR	12/31/2017 EUR
A. Fixed assets	9,036,641.85	7,471,725.42
I. Intangible assets	180,648.00	58,727.00
II. Tangible assets	8,855,843.85	7,412,848.42
1. Land, land rights and buildings, including buildings on third-party land	556,615.00	574,326.00
2. technical installations and machines	2,291,304.00	1,119,322.00
3. Other facilities, fixtures and fittings	5,797,271.00	4,166,124.00
4. Payments on account and assets under construction	210,653.85	1,553,076.42
III. financial assets	150.00	150.00
1. other financial assets	150.00	150.00
B. Current Assets	24,552,793.93	23.156.179.21
I. Inventories	7,772,283.16	8,485,957.85
II. Receivables and other assets	2,759,877.32	3,265,353.02

	12/31/2018 EUR	12/31/2017 EUR
III. Cash on hand, Bundesbank balances, bank balances and checks	14,020,633.45	11,404,868.34
C. Prepaid expenses	542,996.90	513,183.29
Total assets, total assets	34,132,432.68	31,141,087.92
liabilities		
	12/31/2018 EUR	12/31/2017 EUR
A. Equity	13,578,168.08	11,963,869.97
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. Profit carried forward	9,936,873.76	9,196,433.85
III. net income	3,614,298.11	2,740,439.91
B. Provisions	2,028,267.31	878,182.01
C. Liabilities	18,525,997.29	18,299,035.94
Balance sheet total, total liabilities	34,132,432.68	31,141,087.92

Profit and Loss Account

	1/1/2018 - 12/31/2018 EUR	1/1/2017 - 12/31/2017 EUR
1. Raw Score	20,642,934.98	15,404,181.92
2. Personnel expenses	7,524,909.01	4,528,074.72
a) Wages and salaries	6,475,568.21	3,876,356.89
b) social security contributions and expenses for pensions and for assistance of that for pensions	1,049,340.80 3,042.70	651,717.83 7,026.67
3. Depreciation	1,646,391.35	1,099,628.17
a) Depreciation of intangible assets and property, plant and equipment	1,646,391.35	1,099,628.17
4. other operating expenses	6,142,035.55	5,740,745.97
5. other interest and similar income	71.42	124.22
6. Interest and Similar Expenses	889.47	354.50
7. Income taxes	1,714,176.91	1,294,756.87
8. Earnings after taxes	3,614,604.11	2,740,745.91
9. other taxes	306.00	306.00
10. Net Income	3,614,298.11	2,740,439.91

Appendix

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 medium-sized corporation in accordance with Section 267 (2) 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

When preparing the notes, the size-related simplification provisions applicable to medium-sized corporations in accordance with Section 288 (2) HGB for the breakdown of sales by area of activity (Section 285 No. 4 HGB) and the disclosure of the auditor's fee (Section 285 No. 17 HGB) were taken into account. claimed. 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, 2018 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.

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** schedule (Annex IIIa).

The claims against shareholders to be reported in accordance with § 42 Para. 3 GmbHG amount to EUR 16,854.09 as of the balance sheet date. 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 9,936,873.76 (previous year: EUR 9,196,433.85).

The **other provisions** totaling EUR 768,625.90 relate to bonuses, the disabled 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 EUR 23,878.22).

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

	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
liabilities	18,525,997.29	18,513,214.99	12,782.30	0.00
Previous year	18,299,035.94	18,275,157.72	23,878.22	0.00
from taxes	(357,423.97)	(357,423.97)		
Previous year	(137,106.32)	(137,106.32)		
of which in the context of social security	(11,058.94)	(11,058.94)		
Previous year	(13,302.82)	(13,302.82)		

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 4,311 thousand. These are obligations from existing leases. Of this, approx. EUR 439 thousand 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.

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	129
executives	4
In total	133
full-time employees	130
part-time employees	3

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 13,551,171.87 to new account.

4. Supplementary report

After the balance sheet date, there were no events of particular importance that would have to be reported.

5. Management Signature

Frankfurt am Main, November 5, 2019

*signed Dr. Sylvia Wojczewski**signed Dr. Huseyin Aygun***fixed asset schedule**

	Acquisition and production costs				
	01/01/2018 EUR	Additions EUR	Departures EUR	Transfers EUR	12/31/2018 EUR
I. Intangible assets					
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	182,649.49	162,510.50	0.00	2,280.00	347,439.99
Total intangible assets	182,649.49	162,510.50	0.00	2,280.00	347,439.99
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	604,554.28	47,799.31	0.00	0.00	652,353.59
2. technical installations and machines	1,187,246.94	1,534,783.03	298,790.11	171,300.00	2,594,539.86
3. Other facilities, fixtures and fittings	8,878,335.53	787,292.07	165,476.19	2,096,756.44	11,596,907.85
4. Payments on account and assets under construction	1,553,076.42	927,913.87	0.00	-2,270,336.44	210,653.85
Total property, plant and equipment	12,223,213.17	3,297,788.28	464,266.30	-2,280.00	15,054,455.15
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	12,406,012.66	3,460,298.78	464,266.30	0.00	15,402,045.14
			depreciation		
	01/01/2018 EUR	Additions EUR	Departures EUR	Transfers EUR	12/31/2018 EUR
I. Intangible assets					
purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	123,922.49	42,869.50	0.00	0.00	166,791.99
Total intangible assets	123,922.49	42,869.50	0.00	0.00	166,791.99
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	30,228.28	65,510.31	0.00	0.00	95,738.59
2. technical installations and machines	67,924.94	285,110.03	49,799.11	0.00	303,235.86
3. Other facilities, fixtures and fittings	4,712,211.53	1,252,901.51	165,476.19	0.00	5,799,636.85
4. Payments on account and assets under construction	0.00	0.00	0.00	0.00	0.00
Total property, plant and equipment	4,810,364.75	1,603,521.85	215,275.30	0.00	6,198,611.30
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	4,934,287.24	1,646,391.35	215,275.30	0.00	6,365,403.29
				book value	
				12/31/2018 EUR	12/31/2017 EUR
I. Intangible assets					
purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values				180,648.00	58,727.00
Total intangible assets				180,648.00	58,727.00
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land				556,615.00	574,326.00
2. technical installations and machines				2,291,304.00	1,119,322.00
3. Other facilities, fixtures and fittings				5,797,271.00	4,166,124.00
4. Payments on account and assets under construction				210,653.85	1,553,076.42
Total property, plant and equipment				8,855,843.85	7,412,848.42
III. financial assets					
cooperative shares				150.00	150.00
Total financial assets				150.00	150.00
Total Fixed Assets				9,036,641.85	7,471,725.42

other report components

Information on the determination:

The annual financial statements were approved on February 17, 2020.

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, 2018 and the income statement for the financial year from January 1, 2018 to December 31, 2018 and the notes, including the presentation of the accounting and valuation methods. In addition, we have audited the management report of BioSpring Gesellschaft für Biotechnologie mbH, Frankfurt am Main, for the fiscal year from January 1, 2018 to December 31, 2018.

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

- The attached annual financial statements correspond in all material respects to 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, 2018 and its earnings position for the financial year from January 1, 2018 to December 31, 2018 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) that they have deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions,

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 misstatements, whether intentional or unintentional, 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 misstatement, whether intentional or unintentional, in the annual financial statements and the management report, plan and perform audit procedures responsive 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 this information is 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 significant unavoidable risk

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, February 17, 2020

HaackSchubert GmbH auditing company

Hartmut W. Schubert, auditor

ppa. Benedikt Barkey, auditor
