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3B Scientific GmbH

Hamburg

Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020**Management report for the financial year from January 1 to December 31, 2020****I. Company Fundamentals****1. Company's business model**

3B Scientific GmbH specializes in the production and marketing of didactic materials for medical and scientific education.

As an international company, 3B Scientific GmbH with its affiliated companies in Germany and abroad is today the world's leading group of companies in the anatomy market. The product range also includes physical-technical teaching aids, medical simulators, acupuncture needles and therapy products.

The headquarters of 3B Scientific GmbH is located in Hamburg-Mitte. In 2020, the company had branches in Coburg, Dresden, Klingenthal and Hamburg-Bergedorf.

The company has a further production and sales location via its Hungarian subsidiary, 3B Scientific Europe Kft.

3B Scientific GmbH is a 100% subsidiary of 3B Scientific Luxembourg Sàrl, Luxembourg, which in turn is 100% owned by 3B Scientific Holdings, LLC in the USA. 3B Scientific Holdings, LLC also has legally independent branches in Australia, Brazil, China, France, Great Britain, Italy, Japan, Russia, Spain, South Korea, Thailand, Turkey and the USA. These companies form the 3B Group.

At the headquarters of the Chinese 3B company there is a production facility that works as a contract manufacturer for 3B Scientific GmbH.

3B Scientific GmbH is responsible for a large part of the control of the group of companies and it continues to play a central role in the future development of the 3B Group.

2. Research and Development

The object of our development work is the innovative further development of existing products and the new development of future products. The focus here is increasingly on expanding the digital product range.

The acquisitions of 3B Scientific Holdings, LLC in 2019 and 2020 provide access to developments and resources from Cardionics and iSimulate for the new and further development of products from 3B Scientific GmbH. Ongoing new developments are aimed at supplementing the product portfolio of the extended 3B Group.

The research and development team at 3B Scientific GmbH comprised 14 employees in 2020.

II. Economic report**1. Macroeconomic, industry-related framework conditions**

The global situation was shaped by the Covid-19 pandemic.

The pandemic has thwarted the recognizable willingness of public budgets to invest in medical teaching. According to the management, the market for medical simulators, which is important for 3B Scientific GmbH, is growing steadily and in all sales areas in which 3B Scientific is active, based on customer feedback.

2. Course of Business

The shareholder of the 3B Scientific group of companies pushed ahead with the further development of the group in the 2020 financial year with the aim of improving cooperation between the group companies and quickly integrating the acquisitions made. In this context, there was ongoing optimization and expansion of the product range, particularly in the area of simulation. The acquisition of the iSimulate Group in January 2020 made a significant contribution to this. The 3B Group took over worldwide sales outside of North America and Australia. The assembly of the end products and the logistics are carried out for all 3B companies by 3B Scientific GmbH.

For the products from Cardionics, which was acquired in July 2019, almost all international sales outside the USA were taken over in 2020, where 3B Scientific GmbH takes over the storage and logistics for the 3B Group.

The resulting additional sales at 3B Scientific GmbH almost offset the decline in sales in other segments caused solely by Covid-19.

The production capacities at the subsidiary 3B Scientific Europe Kft. in Budapest could not be fully utilized in 2020 due to the decline in sales throughout the 3B Group.

Against the background of the Covid-19 pandemic and its economic consequences, 3B Scientific GmbH can look back on a financial year that was only partially successful. Revenues from direct business (excluding group companies) increased compared to the previous year. However, sales with the companies in the group fell significantly compared to the previous year.

3rd layer**3.1. earnings situation**

The company's key financial performance indicators have developed as follows:

	2019	2020
	kEUR	kEUR
Total performance (including other operating income)	28,967	29,401

	2019	2020
	kEUR	kEUR
raw result	15,023	15,064
operating result	-205	1,180
annual result	-676	715

Total output (as the sum of sales, changes in inventories, own work capitalized and other operating income) increased by EUR 434 thousand (1.5%) in the 2020 reporting year compared to the previous year.

At around EUR 15.1 million, the gross result (total output less cost of materials) is EUR 42 thousand higher than in the previous year.

The operating result improved by EUR 1,385 thousand to EUR 1,180 thousand. Significant cost savings caused by the pandemic have contributed to this. Significantly fewer costs were spent on travel activities and national and international trade fairs. In addition, personnel costs fell through the use of short-time work, the reduction in overtime and vacation entitlements, and the temporary non-filling of vacancies. The state subsidy for short-time work and social security contributions contributed EUR 216 thousand to the improvement in earnings in 2020 as a whole.

The annual result improved to EUR 715 thousand with the financial result remaining almost unchanged compared to the previous year.

3.2. financial position

From the point of view of the management, the financial situation is stable. Financial management is designed to always settle liabilities within the payment period and to collect receivables within the payment terms.

Liabilities to banks decreased by EUR 10 thousand to EUR 6,348 thousand as of the balance sheet date. Liabilities to shareholders increased by EUR 1,340 thousand to EUR 5,050 thousand. The shareholder loans do not have a contractually fixed term, but can be canceled by either party at short notice. When preparing the financial plan for 2021, based on agreements in the existing financing agreement with the banks and on the basis of discussions with the shareholder, the management assumes that the loan will not have to be repaid until 2025 at the earliest.

Equity increases to EUR 7,137 thousand as a result of the positive annual result. The equity ratio is around 31.3%; the company continues to be financially stable.

As of December 31, 2020, the company had liquid funds of around EUR 1.4 million.

3.3. financial position

The balance sheet total increased by a total of EUR 1,409 thousand (6.6%) compared to the previous year's reporting date.

Fixed assets are reported almost unchanged at 6.4 million. The necessary investments in intangible and tangible assets were initiated in 2020 in order to create the necessary resources for the company to be able to provide its services and products competitively.

Investments in intangible assets and property, plant and equipment totaled EUR 859 thousand and were mainly made up of EUR 21 thousand in the area of internally generated intangible assets, EUR 41 thousand in the area of licenses/software, EUR 93 thousand in IT systems, EUR 40 thousand in the Operating and office equipment and EUR 620,000 in equipment under construction.

Inventories as of December 31, 2020 increased by approx. EUR 1.1 million (approx. 13.2%) to EUR 9.2 million compared to the previous year inventories and, on the other hand, an increase in inventories for the products of the new group companies Cardionics and iSimulate.

As of the 2020 balance sheet date, the company had equity of around EUR 7.1 million. The equity ratio increased slightly by 1.2 percentage points to around 31.3% compared to the previous year's reporting date.

Trade accounts payable (incl. to 3B group companies) decreased by EUR 144 thousand compared to the previous year, whereby liabilities to non-group companies could even be reduced by around EUR 1 million.

4. Non-financial performance indicators / HR and social area

As of December 31, 2020, 185 were permanent employees and 12 were temporary workers.

At EUR 7 thousand, expenses for improving the qualifications of our employees in 2020 were well below the previous year's level. On the one hand, this is due to the reduced external supply during the pandemic and, on the other hand, to the savings efforts made. Training and further education, especially for the new products, were mainly carried out internally.

5. Supplementary report

For events after the balance sheet date that are of particular importance for the company's net assets, financial position and results of operations, we refer to the explanations in the notes.

6. Forecast, opportunity and risk report

6.1. risk report

Management sees one of its main tasks as recognizing risks and eliminating them as far as possible, or at least minimizing them.

Operational Risks

Operational risks such as B. Production downtimes, we counteract by operating several independent production facilities as well as preventive maintenance measures and the provision of important spare parts. This concept worked during the pandemic, but requires continuous monitoring and readjustment.

We counteract the risk of price changes or delivery bottlenecks by observing the market, acting with foresight and keeping stocks accordingly.

We are working on limiting staff turnover, retaining good employees, selecting the right applicants, hiring trainees and giving our employees better qualifications through internal and external further training alongside their work. We also want to position ourselves even more strongly as an attractive employer. In this way, we are counteracting the expected shortage of skilled workers.

Exchange rate and interest rate risks

3B Scientific GmbH mainly invoices in EUR and USD, as well as in pounds sterling and Chinese renminbi. Purchases are made in a similar currency distribution. Historically, this broad distribution has resulted in an equalization of currency gains and losses over at least a number of years. We assume that this will continue to be the case. Against this background, the management has not planned any further currency hedging measures.

The liabilities assumed at the end of 2020 are based on EURIBOR. The increase in the EURIBOR therefore has a direct impact on the interest payments to be made for these liabilities. In view of the overall economic situation and the current low level of interest rates, we currently do not expect any significant increases in interest rates in the medium term.

quality risks

We incorporate our daily experience into changing organizational precautions and measures, thus ensuring the consistently high quality of our work and our products. All precautions and measures are subject to recurring effectiveness checks.

Other Risks

Our products continue to be copied and there are anti-competitive practices. On the other hand, we take legal action in cases where other measures do not work.

Risks from the corona pandemic

For 2021, a GDP increase of 3.0% compared to the previous year is expected for Germany (DIW Berlin), although the pandemic does not allow a reliable forecast. Experts are largely unanimous in the assumption that there will only be a noticeable recovery from the second half of 2021, which will be driven by private consumption and increased export demand from China. The pre-pandemic level is only expected to be reached in the course of 2022.

3B Scientific GmbH ended 2020 with sales and earnings below plan due to the pandemic. However, the sale of new products and significant cost savings made it possible to achieve a result above the previous year. Lower sales and earnings growth was planned for the first half of 2021 due to the ongoing pandemic.

Liquidity and receivables risks

Liquidity risks are currently not apparent for 3B Scientific GmbH due to the solid financing of the 3B Group despite the corona pandemic.

Even in the event of an unexpected significant drop in sales, the company is able to service all liabilities according to their maturity with the available funds and credit lines by taking flanking cost-cutting measures (spending or cancellation, short-time work). The receivables of 3B Scientific GmbH are mostly against public institutions and dealers, as well as against companies of the 3B Group, which in turn supply public institutions. Default on these receivables appears unlikely at this point in time.

The liquid funds of the company (plus free lines of credit) and the possibility of collecting receivables from the affiliated companies of the 3B Group therefore do not require the use of liquidity assistance from the state or the shareholders, even with the adjusted corporate planning. Nevertheless, when assessing the company's liquidity risks, the management assumes that this assistance can in principle be called upon at any time if the earnings and financial situation develop more negatively than planned.

Thanks to a well-functioning and effective receivables management, which we handle tightly, we have recorded an extremely low level of bad debts.

Based on the current corporate planning, the management of 3B Scientific GmbH therefore sees no problems as a going concern for the company.

overall picture

No other significant risks are discernible and there are no risks that individually or cumulatively endanger the existence of the company.

6.2. opportunity report

We offer products in the premium segment. Since our products are characterized by their good quality, we also see good sales opportunities in the future. We also intend to take the special requirements of the markets into account in product development. On the other hand, positioning in the higher price segment of the market also represents a risk. We limit this risk by further promoting the 3B brand on the market.

In our view, governments will continue to make sustained efforts to invest in the public sector in terms of education and medical training, which promises good market opportunities for our product ranges. The health care system has been strongly influenced by the current crisis. The management sees opportunities here to benefit from the planned improvements in the health systems as a result of the experiences during the corona pandemic. The management expects that there will be an enormous need for investment in this area once the crisis has been overcome.

3B Scientific GmbH is the main dealer for its own product range, but also for the companies Cardionics (auscultation trainer) and iSimulate (simulated patient monitors), which have been part of the 3B Group since 2019 and 2020 respectively. Since the takeover, 3B Scientific GmbH has coordinated the sales business of these two companies outside the USA and Australia.

The management therefore continues to assume long-term growth in sales and earnings over the next few years.

6.3. forecast report

For the 2020 financial year, the management of 3B Scientific GmbH had planned moderate sales growth with a slightly higher gross profit and expected a significantly higher operating and annual result.

While the forecast increase in sales was missed (slight decrease in sales compared to 2019), the forecast for the gross profit was significantly below the forecast due to the pandemic, but a significant improvement in earnings was achieved. We refer to our comments on the earnings situation.

We assume that political uncertainties such as For example, US trade policy and Brexit will continue to affect our export business. In addition, the pandemic will continue to have a massive impact on the overall economy.

The wide range of products, which has been expanded as a result of the acquisitions, enables 3B Scientific GmbH to make holistic offers to its customers. The company offers very good product quality and good customer service. We are constantly working on improving our product and service quality in order to maintain our own high standard. Numerous measures lead to a constant improvement in process flows and process reliability. The new structures and processes have already been established in many areas of the company and are showing the expected positive effects.

Lower sales and earnings growth was planned for the first half of 2021 due to the ongoing pandemic. Fortunately, sales and earnings for the first four months of 2021 are well above plan and the previous year, even if the situation has not yet returned to the normal level expected at the time of planning. As of May 2021, no 3B Scientific GmbH locations will be on short-time work; at the Hamburg location, it was possible to refrain from using these state aid measures from January 2021, contrary to the plan. Our expectation is a gradual return to a situation like before the pandemic by autumn 2021. Should the situation worsen,

Taking into account the above statements, the management of the company expects overall performance, gross profit and operating and annual profit for 2021 to be significantly higher than the corresponding values from the 2020 financial year, despite the ongoing pandemic.

Hamburg, May 21, 2021

Todd A Murray

Miles Sprott

Carsten Erpel

Hauke Schippman

Balance sheet as of December 31, 2020

assets

	12/31/2020	12/31/2019
	EUR	EUR
A. Fixed assets		
I. Intangible assets	1,235,567.20	821,187.56
- Of which advance payments and assets under construction: EUR 554,304.20 (previous year EUR 0.00)		
II. Tangible assets		
1. Land and buildings, including buildings on third-party land	406,489.68	418,327.68
2. Technical installations and machines	97,354.00	106,380.00
3. Other equipment, fixtures and fittings	498,142.00	960,901.44

	12/31/2020	12/31/2019
	EUR	EUR
4. Payments on account and assets under construction	100,643.57	92,657.64
	1,102,629.25	1,578,266.76
III. financial investments		
1. Shares in affiliated companies	1,352,611.86	1,352,611.86
2. Loans to affiliated companies	2,595,300.00	2,595,300.00
3. Holdings	25,829.60	25,829.60
4. Other Loans	60,000.00	0.00
	4,033,741.46	3,973,741.46
	6,371,937.91	6,373,195.78
B. Current Assets		
I. Inventories	9,247,476.72	8,165,783.52
II. Receivables and other assets	5,408,138.67	5,222,999.46
- thereof from affiliated companies: EUR 3,224,018.16 (previous year: EUR 3,131,010.97)		
III. Cash and bank balances	1,395,012.38	1,201,871.04
	16,050,627.77	14,590,654.02
C. Prepaid expenses	348,271.13	397,545.37
	22,770,836.81	21,361,395.17
liabilities		
	12/31/2020	12/31/2019
	EUR	EUR
A. Equity		
I. Drawn capital	2,720,000.00	2,720,000.00
II. Capital Reserve	111,461.63	111,461.63
III. profit carried forward	3,590,827.46	4,267,106.73
IV. Profit/loss for the year	714,770.39	-676,279.27
	7,137,059.48	6,422,289.09
B. Special item for investment grants	4,921.19	11,674.67
C. Provisions	1,469,311.86	1,905,901.51
D. Liabilities	14,156,892.43	13,021,065.05
- of which to banks: EUR 6,347,510.44 (previous year: EUR 6,358,090.16)		
- of which to affiliated companies: EUR 901,683.73 (previous year: EUR 604,346.40)		
- of which to companies in which an investment is held: EUR 793,046.85 (previous year: EUR 230,151.82)		
- of which to shareholders: EUR 5,049,584.54 (previous year: EUR 3,710,017.47)		
E. Accruals and Accruals	2,651.85	464.85
	22,770,836.81	21,361,395.17

Profit and Loss Account for the period from January 1st to December 31st 2020

	2020	2019
	EUR	EUR
1. Raw Score	15,064,413.95	15,022,801.99
6. Personnel expenses		
a) Wages and salaries	6,448,407.99	7,051,663.56
b) Social security contributions and pension expenses	1,420,373.76	1,478,154.09
	7,868,781.75	8,529,817.65
7. Depreciation of intangible assets and property, plant and equipment	452,958.88	468,488.21
8. Other Operating Expenses	5,562,582.41	6,229,093.80
	1,180,090.91	-204,597.67
9. Income from loans of financial assets	105,513.08	58,509.90
10. Other Interest and Similar Income	83,832.80	45,788.03
11. Interest and Similar Expenses	649,300.95	569,689.71
12. Income taxes	1,182.82	1,642.70
13. Earnings after tax	718,953.02	-671,632.15
14. Other Taxes	4,182.63	4,647.12
15. Net profit (previous year net loss)	714,770.39	-676,279.27

Appendix for the 2020 financial year

A. Accounting Policies

The provisions of the HGB for medium-sized corporations were applied to the accounting and valuation in the annual financial statements of 3B Scientific GmbH, Hamburg (Hamburg District Court, HRB 28859).

Deviating from the previous year, devices for demonstration purposes, which are presented at trade fairs and made available to customers for training and test purposes, are no longer reported in property, plant and equipment in the annual financial statements as of December 31, 2020, but in inventories (EUR 448 thousand; previous year:

EUR 428 thousand). In addition, the presentation, structure, approach and valuation of the annual financial statements correspond to the principles of the previous year. The profit and loss account is prepared according to the nature of expense method.

Internally generated intangible assets are valued at production cost less accumulated scheduled depreciation.

The purchased intangible assets are valued at acquisition cost less scheduled accumulated depreciation. Depreciation is made on a straight-line basis over the usual useful life.

Property, plant and equipment are stated at the acquisition or production costs that must be capitalized and, where depreciable, reduced by scheduled depreciation over the usual useful life. The production costs include material and production costs as well as special production costs plus appropriate parts of the necessary material and production overheads (including the depreciation of the fixed assets, insofar as it was caused by the production).

If the value of fixed assets determined according to the above principles is higher than the value assigned to them on the balance sheet date, this is taken into account through unscheduled depreciation. If it turns out in a later financial year that the reasons for this no longer exist, the amount of this depreciation is written up to the extent of the increase in value, taking into account the depreciation that should have been carried out in the meantime.

Financial assets are valued at the lower of cost or fair value.

On the respective balance sheet date, applying the provisions of IDW RS HFA 10, it is checked whether the fair value of the recognized financial assets within the meaning of Section 253 (3) sentence 3 HGB is likely to permanently exceed the reported book value. The discounted earnings value calculated for this essentially depends on the underlying corporate planning and the discount rate used. The earnings values are therefore largely dependent on the future results of the companies to be valued and the assumptions on which the estimate of the results is based.

Although these discretionary estimates were made on the basis of management's current knowledge, there may be deviations from these estimates in the actual development of the associated companies.

Raw materials, consumables and supplies are valued at acquisition cost including ancillary acquisition costs or lower fair value, with reasonable deductions being made for storage and utilization risks.

The basis for valuing work in progress and finished goods at production cost is formed by the imputed unit costs taken from company accounting and determined on the basis of planned normal employment. The unit costs contain direct and overhead material costs, direct and overhead production costs as well as special production costs.

The advance payments made are shown without sales tax.

Receivables and other assets are stated at nominal value. All identifiable individual risks are taken into account in the assessment. For the general credit risk, a general value adjustment of 1% has been made for receivables from deliveries and services.

Discounts contained in prepaid expenses are amortized on a straight-line basis over the fixed-interest period of the corresponding loan.

Special items for investment subsidies and investment grants contain government grants for investments in fixed assets. The reversal takes place pro rata according to the scheduled depreciation on the corresponding assets.

The pension obligations are determined according to recognized actuarial principles based on biometric probabilities (2018 G mortality tables by Prof. Dr. Klaus Heubeck) using the modified partial value method. Expected future pension increases are taken into account when determining the obligation. Annual adjustments of 1% are currently assumed for pensions. The rating does not take into account a turnover rate. When determining the discount rate for matching maturities, an average remaining term of 15 years is generally assumed for discounting in application of the option under Section 253 (2) sentence 2 HGB. The discount rate is based on § 253 para. 2 sentence 1 HGB based on the average market interest rate of the past ten years of 2.3% determined by the Deutsche Bundesbank. As of December 31, 2020, the discounting of provisions for pensions at the average market interest rate for the past ten years resulted in a reduction in provisions for pensions of EUR 67k (difference) compared to discounting at the average market interest rate for the past seven years.

Assets that cannot be accessed by all other creditors, are unencumbered and protected against insolvency and are used exclusively to meet debts from pension obligations (plan assets) are offset directly against the corresponding debts in accordance with Section 246 (2) sentence 2 HGB.

The cover assets are valued at fair value. The fair value of the plan assets (reinsurance policies) corresponds to the amortized cost in accordance with Section 255 (4) sentence 3 HGB and amounts to EUR 596 thousand (previous year: EUR 579 thousand) (at a cost of EUR 446 thousand). The recognized pension obligations relate in full to former board members.

The other provisions take into account all recognizable risks and uncertain obligations and are valued at the settlement amount necessary according to prudent business judgement. Future price and cost increases are taken into account if there is sufficient objective evidence that they will occur. Provisions with a remaining term of more than one year are discounted at the average market interest rate for the past seven financial years, which corresponds to their remaining term and which was determined by the Deutsche Bundesbank on the balance sheet date.

Liabilities are recognized at the settlement amount.

Receivables and liabilities in foreign currencies with a remaining term of up to one year are converted at the average spot exchange rate on the balance sheet date. In this respect, unrealized gains and losses from currency translation are included in the present annual financial statements. With a remaining term of more than one year, the conversion is carried out using the exchange rate at the time of occurrence. In the event of exchange rate changes up to the balance sheet date, the valuation is always based on the exchange rate on the balance sheet date, taking into account the lower of cost or market principle on the assets side and the highest value principle on the liabilities side.

Deferred taxes are formed on differences between the commercial law valuations of pension provisions, reinsurance claims, other provisions and self-created intangible fixed assets and other assets and liabilities and their respective tax valuations, which are expected to decrease in subsequent financial years. If the balance of deferred tax liabilities and deferred tax assets results in an overall surplus of assets, deferred taxes are not recognized in accordance with Section 274 (1) sentence 2 HGB.

B. Notes to the Balance Sheet and Profit and Loss Account

I. Balance sheet

1. Fixed assets

The separately presented development of fixed assets is an integral part of the notes.

2. Prepaid expenses

This item includes a discount of EUR 89 thousand (previous year: EUR 112 thousand).

3. Liabilities

Liabilities of EUR 11,395 thousand (previous year: EUR 6,345 thousand) have a remaining term of 1 to 5 years. Otherwise, the liabilities have a remaining term of less than one year.

Liabilities to banks are covered in full by pledging the bank balances of 3B Scientific GmbH totaling EUR 1,395 thousand, global assignment of all receivables totaling EUR 1,473 thousand, transfer of ownership of movable assets, transfer of ownership of industrial property rights and copyrights as security and pledging of shares in the American 3B Scientific LP collateralised.

II. Profit and Loss Account

1. Personnel expenses

The item "Social security contributions and expenses for pensions" includes expenses for pensions in the amount of EUR 61 thousand (previous year: EUR 66 thousand).

2. Other operating expenses

Expenses relating to other periods in the amount of EUR 30 thousand are reported under other operating expenses. EUR 10 thousand of this relates to ancillary rental costs in 2019, EUR 13 thousand to electricity costs in 2019 and EUR 3 thousand in closing costs for previous years.

Other operating expenses include exchange rate losses of EUR 146k (prior year: EUR 195k).

The financial result includes interest expenses from the compounding of pension provisions in the amount of EUR 19 thousand.

Other interest and similar income relates to affiliated companies in the amount of EUR 84 thousand (previous year: EUR 46 thousand).

Other interest and similar expenses relate to affiliated companies in the amount of EUR 93 thousand (previous year: EUR 50 thousand).

3. Extraordinary Expenses

Extraordinary expenses of EUR 357 thousand (previous year: EUR 563 thousand) were incurred in the financial year, which are fully reported under other operating expenses. The extraordinary expenses relate to a credit to the Hungarian subsidiary for idle costs incurred as a result of the relocation of production.

C. Other information

1. Shareholdings

As of the balance sheet date, the company held direct and indirect investments in the following companies within the meaning of Section 271 (1) HGB:

Surname	Seat	participation rate	currency	Equity 12/31/2020	Annual result 2020
Europe 3B Scientific es Forgalmazó Kft.	Budapest, Hungary	100	HOOF	100,309,000	-63,195,000
American 3B Scientific LP	Tucker, Georgia USA	33	USD	-5,305,345.00	-969,333
American 3B Management Corporation Inc.	Tucker, Georgia USA	33	USD	-11.107	-9,713

2. staff

The average number of employees during the financial year is:

	Number
employee	113
worker	64
temporary workers	11
	188

3. Contingent Liabilities and Other Financial Obligations

Contingent liabilities within the meaning of § 251 HGB exist for 3B Scientific GmbH within the framework of the overall financing of the 3B Scientific Group together with other companies in the group. In this context, the company is liable for the liabilities of American 3B Scientific, LP and Australian 3B Scientific Parent, LLC to banks totaling EUR 31.4 million (previous year: EUR 16.9 million). The risk of a claim arising from the provision of collateral for third-party liabilities is classified as low, since there are currently no indications that the affiliated companies will not meet their obligations.

There are other financial obligations mainly from rental and leasing obligations in the amount of EUR 1,938 thousand. Of this, EUR 817 thousand is due in the 2021 financial year.

4. Supplementary report

The World Health Organization (WHO) declared an international health emergency at the end of January 2020. Since March 11, 2020, the WHO has classified the spread of the coronavirus as a pandemic. The effects of the Corona crisis will continue to lead to financial effects in the 2021 financial year, which we do not consider to be detrimental to development or a threat to the company as a going concern. There were no other significant events after the end of the fiscal year ended December 31, 2020.

5. Bodies of the company

Managing Director is:

- Todd A. Murray, Lakewood Ranch, Florida / USA (since October 29, 2016)
- Carsten Erpel, Reinbek (since March 17, 2020)
- Miles Sprott, Hamburg (since March 17, 2020)
- Hauke Schippmann, Hörnerkirchen (since March 17, 2020)

In the reporting year, the remuneration of the managing directors amounted to EUR 354 thousand.

6. Group disclosures

The ultimate parent company of 3B Scientific GmbH, 3B Scientific Holdings, LLC, New Canaan, CT/USA, prepares consolidated financial statements including 3B Scientific GmbH.

Hamburg, May 21, 2021

3B Scientific GmbH

Managing directors

Todd A Murray

Miles Sprott

Carsten Erpel

Hauke Schippmann

Development of fixed assets in the 2020 financial year

	As of 01/01/2020 EUR	Acquisition/manufacturing costs			As of 12/31/2020 EUR
		additions EUR	transfers EUR	departures EUR	
I. Intangible assets					

	Acquisition/manufacturing costs				As of 12/31/2020
	As of 01/01/2020	additions	transfers	departures	
	EUR	EUR	EUR	EUR	
1. Self-created industrial property rights and similar rights and values	531,132.44	21,187.02	271,413.26	0.00	823,732.72
2. Purchased industrial property rights and similar rights and assets	1,911,353.50	41,015.05	-271,413.26	21,010.16	1,659,945.13
3. Assets under construction	0.00	554,304.20	0.00	0.00	554,304.20
	2,442,485.94	616,506.27	0.00	21,010.16	3,037,982.05
II. Tangible assets					
1. Land and buildings, including buildings on third-party land	1,374,594.19	24,278.25	15,897.24	124,001.03	1,290,768.65
2. Technical installations and machines	817,227.03	14,331.69	0.00	2,182.33	829,376.39
3. Other equipment, fixtures and fittings	2,293,078.18	137,911.54	3,289.21	683,448.94 *	1,750,829.99
4. Payments on account and assets under construction	92,657.64	66,144.98	-19,186.45	38,972.60	100,643.57
	4,577,557.04	242,666.46	0.00	848,604.90	3,971,618.60
III. financial investments					
1. Shares in affiliated companies	1,352,611.86	0.00	0.00	0.00	1,352,611.86
2. Loans to affiliated companies	2,595,300.00	0.00	0.00	0.00	2,595,300.00
3. Holdings	25,829.60	0.00	0.00	0.00	25,829.60
4. Other Loans	0.00	180,000.00	0.00	120,000.00	60,000.00
	3,973,741.46	180,000.00	0.00	120,000.00	4,033,741.46
	10,993,784.44	1,039,172.73	0.00	989,615.06	11,043,342.11
	Accumulated depreciation				As of 12/31/2020
	As of 01/01/2020	additions	transfers	departures	
	EUR	EUR	EUR	EUR	
I. Intangible assets					
1. Self-created industrial property rights and similar rights and values	35,408.44	165,050.02	18,094.26	0.00	218,552.72
2. Purchased industrial property rights and similar rights and assets	1,585,889.94	37,079.05	-18,094.26	21,012.60	1,583,862.13
3. Assets under construction	0.00	0.00	0.00	0.00	0.00
	1,621,298.38	202,129.07	0.00	21,012.60	1,802,414.85
II. Tangible assets					
1. Land and buildings, including buildings on third-party land	956,266.51	52,013.49	0.00	124,001.03	884,278.97
2. Technical installations and machines	710,847.03	23,357.69	0.00	2,182.33	732,022.39
3. Other equipment, fixtures and fittings	1,332,176.74	175,458.63	0.00	254,947.38	1,252,687.99
4. Payments on account and assets under construction	0.00	0.00	0.00	0.00	0.00
	2,999,290.28	250,829.81	0.00	381,130.74	2,868,989.35
III. financial investments					
1. Shares in affiliated companies	0.00	0.00	0.00	0.00	0.00
2. Loans to affiliated companies	0.00	0.00	0.00	0.00	0.00
3. Holdings	0.00	0.00	0.00	0.00	0.00
4. Other Loans	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
	4,620,588.66	452,958.88	0.00	402,143.34	4,671,404.20
book values					
				As of 12/31/2020	As of 12/31/2019
				EUR	EUR
I. Intangible assets					
1. Self-created industrial property rights and similar rights and values				605,180.00	495,724.00
2. Purchased industrial property rights and similar rights and assets				76,083.00	325,463.56
3. Assets under construction				554,304.20	0.00
				1,235,567.20	821,187.56
II. Tangible assets					
1. Land and buildings, including buildings on third-party land				406,489.68	418,327.68
2. Technical installations and machines				97,354.00	106,380.00
3. Other equipment, fixtures and fittings				498,142.00	960,901.44
4. Payments on account and assets under construction				100,643.57	92,657.64
				1,102,629.25	1,578,266.76
III. financial investments					
1. Shares in affiliated companies				1,352,611.86	1,352,611.86
2. Loans to affiliated companies				2,595,300.00	2,595,300.00
3. Holdings				25,829.60	25,829.60
4. Other Loans				60,000.00	0.00
				4,033,741.46	3,973,741.46
				6,371,937.91	6,373,195.78

* of which reclassification in current assets EUR 448 thousand

Independent Auditor's Report

The attached annual financial statements as of December 31, 2020 are the abridged version for disclosure purposes in accordance with Section 327 HGB. The following audit opinion was issued on the complete annual financial statements and the management report for the 2020 financial year:

To 3B Scientific GmbH, Hamburg

audit opinions

We have the annual financial statements of 3B Scientific GmbH, Hamburg, - consisting of the balance sheet as of December 31, 2020 and the income statement for the financial year from January 1 to December 31, 2020 and the appendix, including the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of 3B Scientific GmbH for the financial year from January 1 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 provisions 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 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 responsibilities under these regulations and principles are further described in the "Auditor's responsibility for the audit of the annual 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 have our other German professional responsibilities in compliance with these requirements. We believe that

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 § 317 HGB, taking into account the German principles of proper annual auditing established by the Institute of Public Accountants (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 as well as 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.
- Evaluate the overall presentation, structure and 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 German legally required accounting principles, 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.

Hamburg, May 21, 2021

Ebner Stolz GmbH & Co. KG
auditing company
tax consulting company

Sven Metzger, auditor

Thomas Wülfing, auditor

Approval of the 2020 annual financial statements

By resolution of the shareholders' meeting on December 15, 2020, the annual financial statements as of December 31, 2020 have been adopted.
