

search result

Surname	Area	information	V. date
Geutebrueck GmbH Windhagen	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020	06.09.2021

Geutebrueck GmbH**Windhagen****Annual financial statements and management report as of December 31, 2020****MANAGEMENT REPORT FOR THE 2020 FINANCIAL YEAR****I. Economic report****1 Presentation of the course of business including the business result****1.1 Economic Environment**

The global economic situation in 2020 was shaped by the corona pandemic. The economies have shrunk in almost all sales markets, influenced by investment freezes due to the uncertainties of further development, lockdown-related restrictions on installations and commissioning and the shift in focus to overcoming the pandemic. In addition, investments in the markets in the Middle East were postponed due to the extremely low oil price. In the second half of the year, a slight brightening could be seen in some markets, especially in Europe, but overall it was necessary to "drive on sight".

1.2 Macroeconomic and industry-related conditions

Furthermore, it can be seen that decisions and implementation in the classic project business are becoming more and more time-consuming - especially due to the fact that many security and IT managers were additionally burdened by the work in Corona crisis teams. The number of co-decision-makers in the user organizations is still high, because in addition to security departments, IT, purchasing and management, data protection officers and risk managers play an important role.

In our market, cyber security and artificial intelligence in particular continue to emerge as the driving themes. While IT security is becoming increasingly important against the background of both data protection and the increasing number of attacks in the field of cyber crime, video analysis applications based on artificial intelligence are also becoming increasingly popular. We ourselves reacted immediately to the pandemic and quickly implemented AI-based products to meet the challenges, including skin-surface temperature measurement, mask recognition and people counting. Other successful areas of application in the CCTV market are now also found outdoors for perimeter protection,

The meanwhile market-leading providers from China are increasingly having to contend with critical voices who doubt the IT security of these products, as is the case with mobile phone technology. In the USA, Great Britain, Australia and other markets, Chinese products are not allowed to be used in public sector projects, which supports our market positioning as a provider of solutions from Germany.

1.3 Sales Development

Due to the pandemic, the Geutebrück company had to accept a drop in sales of around 15%. The change in strategy initiated in 2016 towards an increased direct approach to end users has shown significant success in the past year, because in Germany, contrary to the general trend, sales even increased by 8%. On the other hand, there was an exclusively pandemic-related decline in sales both in the other European markets and overseas - at very different times regionally, but over the entire year - mainly due to project postponements totaling 27%.

The development in Germany shows that the personnel measures from previous years, especially in the sales area, are having a positive effect. In the other markets, it has not yet been possible to fully implement all the planned measures, in particular because hiring and personnel changes had to be avoided due to the pandemic. It is not necessary to go into individual markets this year, as there was no systematic knowledge to be gained in 2020 due to the pandemic.

1.4 Procurement Market

The procurement markets were also very strongly influenced by the global pandemic in 2020. The consistent avoidance of components and merchandise from Chinese production, which has already been implemented in the past, has meant that the company was able to deliver at all times. The American restrictions on the use of Chinese processors and chips were also fully met, which further increased the pipeline for US public sector projects. In some cases, higher transport costs had to be accepted, which could not be fully passed on to the customers.

The purchase of materials is still subject to a certified and strict quality assurance process. National and international supplier evaluations are carried out regularly, with the entire value chain being subject to a continuous improvement process.

Material stocks are largely stable compared to the previous year. The readiness for delivery was guaranteed at all times due to stringent procurement and inventory management.

1.5 Investments

In 2020, investments were reduced to a minimum. Final external development services amounting to around EUR 370 thousand were commissioned as part of the new software platform, which, as in the previous year, were already fully reflected in the costs. These were mainly necessary services for the realization of the transfer of know-how in the internal development teams.

The strategy process was largely pursued internally, which also massively reduced consulting costs.

1.6 Funding

Due to strict cost controlling and savings in operating costs, especially in the area of travel expenses and marketing as well as personnel costs due to the introduction of short-time work from April 2020 (due to the pandemic), the repayments of the loans from 2017 and 2018 could be continued as planned. The existing resource line was used selectively. The company was able to meet its financial obligations at all times during the past financial year.

1.7 Personnel and social area

In the past financial year, HR work was largely shaped by coping with the consequences of the pandemic. In addition to the introduction of short-time work of varying amounts (depending on the workload of the respective teams), the filling of various positions has been postponed. The average number of employees in the 2020 financial year - with a number of additions and departures - was reduced by 9 employees. Personnel costs were reduced by EUR 2,426 thousand compared to the previous year as a result of short-time work, voluntary salary cuts by the managing directors and the management board and the postponement of new hires.

1.8 Financial and non-financial performance indicators

1.8.1 Strengths and weaknesses of the company

In order to further adapt the product range to the customer-specific requirements of complex projects and to create the basis for future new service models using the cloud (Software as a Service) and using artificial intelligence (AI), the existing software systems G-SIM and G-Core and in the completion of the new strategic product platform. In addition, know-how was transferred from the external developers to the internal teams to take over further development based on the new product platform. The agility of the development was demonstrated in the context of the short-term introduction of additional components to cope with the user challenges caused by the pandemic. This includes the contactless measurement of the skin surface temperature based on thermal cameras, including alarm workflows when a threshold value is exceeded, the AI-based detection of wearing or not wearing a mouth and nose cover, and people counting. Our development and product range is therefore ideally positioned for the complex project business. This includes the contactless measurement of the skin surface temperature based on thermal cameras, including alarm workflows when a threshold value is exceeded, the AI-based detection of wearing or not wearing a mouth and nose cover, and people counting. Our development and product range is therefore ideally positioned for the complex project business.

The sales structure was continuously adjusted and optimized as far as this was possible within the framework of the restrictions caused by the pandemic.

1.8.2 Internal organization and decision-making

The company has pushed ahead with the strategically required change by setting up a project for an agile transition. The aim is to shift responsibility and decision-making authority in the operative business to the respective specialist departments and teams. In January 2020, a management board was set up below the management board, in which all divisions are represented and which drives the operationalization of strategic decisions, but also continuously reflects on necessary adjustments to the strategy and coordinates them with the management.

The company management is informed continuously and according to plan in the course of regular meetings by the board as well as division, specialist department and project managers. The existing management information system was also further developed in 2020. In addition to a presentation of the daily company development and forecast calculation, a differentiated scenario calculation is now also carried out, so that the management is informed at all times about the most important developments and prospects and supports the decision-making process.

1.8.3 Control System

The company is controlled by a system of forecasts and monthly and quarterly reports as well as by means of KPIs. Once a year, sales, cost, investment and action plans are prepared at the level of the department and team leaders for the following year, which show the development in small parts in a monthly or quarterly comparison. At the same time, an "open forecast" allows immediate changes in the business process, such as B. Project postponements in order to include them in the budget figures. As a result, the planning is continuously adapted to the latest information and short-term interventions for corrections by the managers are made possible.

2 Representation of the situation

2.1 Assets

The change in the asset and capital structure compared to the previous year is shown in the following overview:

	12/31/2020		12/31/2019	
	kEUR	%	kEUR	%
assets				
Capital assets	7,583	40.3	10,766	54.5
current assets	11,035	58.6	8,332	42.2
cash liquidity	207	1.1	653	3.3
	18,825	100.0	19,761	100.0
	12/31/2020		12/31/2019	
liabilities	kEUR	%	kEUR	%
equity capital	12,841	68.1	10,512	53.1
shareholder loan	350	1.9	401	2.0
Long-term liabilities	1,567	8.3	1,400	7.1
medium and short-term debt	4,067	21.7	7,448	37.8
	18,825	100.0	19,761	100.0

The reduction in fixed assets due to the sale of part of the existing building is essential in the asset structure. In recent years, these were rented to an external company on the one hand and occupied by our own production and logistics on the other. The increasing digitization of services and the focus on software has resulted in a continuous decline in hardware and production, so that only a fraction of the existing building that has since been sold was actually used. A two-year rental contract was agreed with the buyer for the part of the building that is currently still required. During this period, the areas still in use today will be completely cleared, partly through outsourcing but also through relocation to the remaining parts of the building. In the remaining parts of the building there is sufficient space for future growth and the option of a future extension.

Financing is secured in the long term through the sale. The financing of the ongoing business and the implementation of the planned investments were ensured at all times. Equity has increased significantly compared to the previous year due to an almost balanced operating result and the profits from the sale of the building. The financial position of the company can therefore be classified as very good.

2.2 Financial Condition

The cash flow statement shows the following picture:

	2020	2019
	thousand	kEUR
Cash generated from operations	-2,833	-1,993
Cash flow from investing activities	4,942	828
Cash flow from financing activities	-1,976	290
Cash-effective change in cash and cash equivalents	133	-875
Cash funds at the beginning of the period	-347	528
Cash funds at the end of the period	-214	-347

2.3 Results of Operations

The following table shows the results of operations compared to the previous year:

	2020	2019	change in earnings	
	kEUR	kEUR	kEUR	%
gross profit	12,733	15,346	-2,613	-17.0
Operating profit before depreciation (EBITDA)	1,072	-1,799	2,871	
Operating and investment earnings before interest and taxes (EBIT)	-481	-3,674	3,193	
neutral result	3,167	-442	3,609	
income taxes	-290	259	-549	
annual result	2,329	-3,926	6,255	

Due to the pandemic, the gross profit for the 2020 calendar year fell from EUR 15,346 thousand in the previous year to EUR 12,733 thousand, i.e. by EUR 2,613 thousand or 17.0%. The gross profit ratio fell slightly from 57.3% to 56.2%.

The operating result before value adjustments and depreciation amounts to 1,072 kEUR. A negative operating and investment result before interest and taxes (EBIT) of EUR -481 thousand is reported. The annual result in the 2020 financial year is EUR 2,329 thousand due to the high non-operating result from the sale of the part of the property. As of December 31, 2020, the balance sheet shows equity of EUR 12,841 thousand, which means an increase of 22.1% compared to the previous year.

II. Report on the expected development with its main opportunities and risks (opportunity and risk report)

1 General risks

The company is not aware of any significant economic, legal or even existence-threatening risks.

2 Special Risks

2.1 Interest Rate Risk

Since the interest-bearing external financing is limited to shareholder loans, several development loans and a working capital line and is all in the very low, single-digit percentage range, there is no interest rate risk.

2.2 Liquidity Risk

The liquidity position of our company can be described as very good. The investments made could be supported by ongoing business and low-interest long-term development loans. The sale of the part of the property led to a high inflow of liquidity. Therefore, no financial bottlenecks are to be expected. The financing instruments in our company essentially include receivables, the aforementioned long-term loans and existing bank balances. Bad debt losses have so far only occurred to an insignificant extent. The goal of our finance and risk management is to protect the company against financial risks of any kind.

As in previous years, the company is pursuing a very conservative risk policy in its financing management. Existing cash surpluses are used to repay short-term liabilities such as working capital lines, and the management strictly avoids any speculative financial investments. US dollar orders are partially hedged. To protect against the liquidity risk and to maintain solvency at all times, a continuous liquidity plan is drawn up, which is constantly adapted to current changes and serves as the basis for cash management. If default or credit risks are identified for financial assets,

2.3. Risk reporting on the use of financial instruments

In order to hedge the exchange rate risk in transactions in US dollars, countervailing hedging transactions in the form of forward exchange transactions are regularly concluded. In addition, in some markets, especially in the USA, invoices are now issued directly in US dollars in order to neutralize the currency risk on the purchasing side. There is a general risk here that the US dollar exchange rate will affect purchase prices without generating sales in US dollars to the same extent. On the other hand, this is a risk that affects all market participants equally, since the most important components for video security technology are manufactured in North America and Asia and invoiced in US dollars. The aim of the company is to minimize exchange rate risk. There is no speculative use of financial derivatives.

2.4. The Corona Pandemic

A particular risk arises from the ongoing global pandemic of the SARS-Cov-2 virus. The lockdown and lockdown measures adopted by national governments around the world still entail both sales and delivery risks for the company. There is also a risk of infection in your own company and subsequent forced closure of individual parts of the building or the entire building.

Accordingly, the management has taken further measures with the management board:

A large part of the employees work mainly from the home office. On-site teams are divided into smaller units that work in different rooms isolated from each other. Employees who are on site every day are tested twice a week for a corona infection. Members of the teams who meet in the office once a week do a test on site the morning before the meeting. An app for extensive contact tracking in the company has been implemented. Air disinfection devices have been installed in the offices. Masks are mandatory throughout the building except at your own workplace. Specifications for disinfection and ventilation have been introduced and compliance is checked regularly. This ensures performance. The inventories of the required preliminary products were increased at an early stage.

In the 1st quarter of 2021, short-time work was also ordered selectively, so that business operations can be maintained while earnings are secured at the same time. The cost planning was adapted to the new requirements, travel expenses and marketing costs were reduced accordingly, since reduced travel activity and the cancellation of face-to-face events are still expected. On the other hand, investments in digital media were intensified, since partners and customers now accept the virtual form of the meeting.

The management board continues to meet regularly with the management in order to be able to react to changes in the current situation and to initiate necessary measures immediately.

3. Opportunity and Prognosis Report

The project-driven further development of the very successful G-Core and G-SIM product ranges and the migration of these products to the new strategic platform were systematized. At the same time, the entire development department was set up in agile Scrum teams in order to be able to implement strategic projects and customer-specific developments at the same time. Resilience to IT security risks has been continuously improved. "Software-only" systems based on customer hardware, especially for virtualized systems, including software maintenance agreements, which guarantee a continuous stream of income even after a project has been commissioned, were increasingly supplied. The accompanying services introduced at the beginning of 2018 continue to experience increasing demand, so that revenues in this area increased by 150% in the April-March comparison compared to the previous year. In addition to the earnings potential, this ensures a high level of customer loyalty over the system life cycle for the user. Due to the increased, continuous, direct contact with the end customer, follow-up sales are more likely, which will provide additional income. The increased flexibility through the delivery of systems based purely on software enables more individual solutions, which in turn opens up new sales opportunities. so that the revenues in this area could be increased by 150% compared to the previous year in the analysis from April to March. In addition to the earnings potential, this ensures a high level of customer loyalty over the system life cycle for the user. Due to the increased, continuous, direct contact with the end customer, follow-up sales are more likely, which will provide additional income. The increased flexibility through the delivery of systems based purely on software enables more individual solutions, which in turn opens up new sales opportunities. so that the revenues in this area could be increased by 150% compared to the previous year in the analysis from April to March. In addition to the earnings potential, this ensures a high level of customer loyalty over the system life cycle for the user. Due to the increased, continuous, direct contact with the end customer, follow-up sales are more likely, which will provide additional income. The increased flexibility through the delivery of systems based purely on

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The sales situation at the beginning of the year was still characterized by the corona pandemic, but has stabilized significantly compared to the previous year. A significant increase compared to the previous year to the full-year level of 2019 is planned. On the cost side, a significant increase is planned compared to the previous year due to the elimination of short-time work from the second quarter of 2021 and the filling of vacancies from 2020. The other costs remain largely at the previous year's level.

However, investments of a significant amount are planned, on the one hand in upgrading part of the existing building (acquisition in 1999) in order to prepare for the relocation of the employees remaining in the sold part of the building.

Due to the pandemic, sales in the first quarter of 2021 were almost 7% below the previous year's level. It should be noted here that the pandemic-related sales declines in the previous year only became relevant from April.

Demand on the German market continues to be stable. It is therefore to be expected that the sales increase planned for 2021 in this region can be realized despite Corona, provided that the situation and the measures imposed by the German government do not escalate further.

A mixed picture continues to emerge in Europe: Due to the ongoing political uncertainty on the Russian, British and Turkish markets, these were again taken into account in the sales planning with a worst-case scenario. The restructuring of sales to address customers more directly in France has been completed, although the local team was significantly reduced last year. Accordingly, a stagnant sales development was planned, while cost reduction potentials were realized in order to ensure a positive result. Here, too, the situation caused by the corona-related crisis can still be classified as critical, but has been taken into account in the planning.

Before Corona, the Spanish market developed slightly positively as planned, with customers from the logistics sector in particular seeing initial successes. However, it will continue to be shaped by the pandemic. We expect a slight recovery in sales compared to the previous year in the second half of the year. The Eastern European markets are currently again being hit very hard by the current crisis and remain difficult to assess. However, despite the restrictions, a new sales representative in Poland has already had initial successes and will probably be able to achieve a significant increase in sales in this region. Unfortunately, it is not to be expected that the European markets will fully recover this year.

The markets overseas must also be viewed in a differentiated manner: there is significant growth potential in the Middle East in particular, as the price of oil has recovered significantly. Contrary to expectations, the US market weakened last year as many projects were postponed. This backlog will clear up this year, especially against the background of the very successful vaccination campaign, and ensure significant growth. In Australia and New Zealand, the "No-COVID strategy" there is leading to a largely normalization of sales conditions and is therefore likely to lead to an increase in sales. The Asian markets, especially India, are currently difficult to assess.

Overall, as expected, many projects by private investors in non-systemically important industries were postponed due to the pandemic, which will now be gradually implemented in 2021. Therefore, the planned sales growth is quite realistic - also against the background of the ongoing pandemic.

Due to the ever-increasing share of software and services in total sales, a slightly increasing gross profit rate can be expected in 2021. With a significantly increasing gross profit due to increased sales and a slightly increasing gross profit ratio, but also significantly increasing costs, especially in the personnel area, a balanced result is planned for 2021.

III. Research and Development

A total of almost EUR 2.3 million was invested in the further development of Geutebrück products in the 2020 financial year. The internal development resources have been continuously expanded and a know-how transfer from the external development teams that developed the new strategic platform to internal has been completed. At the same time, the further development of the core product range was pushed forward, whereby in addition to new functionalities, a considerable part was invested in refactoring in order to bring the existing software up to the state of the art. In addition, product development continues to follow the relevant trends and customer requirements.

The migration of the existing systems to the new strategic product platform was successfully initiated. The implementation of a new license management platform for the simplified, automated delivery of software licenses was started last year together with an external partner and completed this year, so that the change to a software-centric solution provider will be further advanced. This step will also massively streamline the internal processes, so that additional savings potential is expected.

Windhagen, March 29, 2021

The Board

BALANCE SHEET AS OF DECEMBER 31, 2020

ASSETS

	12/31/2020	12/31/2019
	EUR	EUR
A. FIXED ASSETS	7,582,442.49	10,775,939.89
I. Intangible assets	2,839,495.88	3,879,256.39
II. Tangible assets	4,321,165.61	5,474,902.50
III. financial investments	421,781.00	1,421,781.00
B. CURRENT ASSETS	11,219,374.02	8,945,169.02
I. Inventories	2,757,615.61	2,192,359.69
II. Receivables and other assets	8,254,327.22	6,099,980.24
III. Cash on hand, bank balances	207,431.19	652,829.09
C. PREPAID EXPENSES	23,441.62	40,256.56
	18,825,258.13	19,761,365.47

LIABILITIES

	12/31/2020	12/31/2019
	EUR	EUR
A. EQUITY	12,840,525.62	10,511,544.10
I. Drawn capital	10,000,000.00	10,000,000.00
II. Retained Earnings	4,000,000.00	4,000,000.00
III. balance sheet loss	-1,159,474.38	-3,488,455.90

	12/31/2020 EUR	12/31/2019 EUR
B. PROVISIONS	2,538,857.00	2,257,124.00
C. LIABILITIES	3,445,875.51	6,992,697.37
	18,825,258.13	19,761,365.47

INCOME STATEMENT FOR FISCAL YEAR 2020

	2020 EUR	2019 EUR
1. Raw Score	16,099,317.01	15,709,372.40
2. Personnel expenses	9,043,246.47	11,469,039.07
a) Wages and salaries	7,507,945.59	9,553,412.50
b) social security contributions and pension expenses	1,535,300.88	1,915,626.57
- of which for pensions: EUR 216,317.96 (previous year: EUR 138,569.20)		
3. Depreciation of intangible assets and property, plant and equipment	1,552,635.66	1,827,506.52
4. other operating expenses	2,897,550.45	6,425,030.16
5. Results of Operations	2,605,884.43	-4,012,203.35
6. other interest and similar income	147,338.96	50,184.22
7. Depreciation of Financial Assets	0.00	46,780.00
8. Interest and Similar Expenses	98,099.69	119,350.22
9. Financial Result	49,239.27	-115,946.00
10. Income taxes	289,647.50	-259,000.00
- thereof from deferred taxes: EUR 0.00 (previous year: EUR 259,000.00)		
11. Earnings after taxes	2,365,476.20	-3,869,149.35
12. other taxes	36,494.68	56,423.89
13. Net Income/Loss	2,328,981.52	-3,925,573.24
14. Loss carried forward from the previous year	-3,488,455.90	437,117.34
15. Balance Sheet Loss	-1,159,474.38	-3,488,455.90

Appendix for the 2020 financial year

General Information

Geutebrück GmbH is based in Windhagen. It is entered in the commercial register of the district court of Montabaur under HRB 14475.

The annual financial statements were prepared on the basis of the classification, accounting and valuation regulations of the German Commercial Code in the version valid on the balance sheet date. In addition to these regulations, the regulations of the GmbH law were observed.

The company is a medium-sized corporation within the meaning of Section 267 HGB. The annual financial statements were prepared in accordance with the structure regulations of §§ 266 ff. HGB using the nature of expense method for the profit and loss account.

Accounting and valuation methods

The present annual financial statements have been prepared in accordance with the provisions of the Commercial Code applicable to medium-sized corporations and the supplementary provisions of the GmbH Act, while retaining the classification and valuation principles used for the previous year's financial statements.

The annual financial statements contain all assets, debts, prepaid expenses, expenses and income, unless otherwise provided by law. The items on the assets side have not been offset against items on the liabilities side, and expenses have not been offset against income, unless this is expressly required by the provisions of Section 246 HGB.

The valuations of the opening balance of the financial year correspond to those of the closing balance of the previous financial year. The continuation of the company was assumed in the valuation. The assets and debts were valued individually.

It has been valued cautiously, in particular all foreseeable risks and losses that have arisen up to the balance sheet date have been taken into account, even if they only became known between the balance sheet date and the preparation of the annual financial statements. Profits are only taken into account if they have been realized by the balance sheet date. Expenses and income for the financial year have been taken into account regardless of the time of payment.

In detail, the following accounting and valuation methods are applied:

Capital assets

Acquired intangible assets are valued at acquisition cost less scheduled depreciation. The useful life is regularly taken as a basis of three to five years.

Self-created capitalized intangible assets are capitalized at production cost. In addition to the directly attributable costs, the production costs also include reasonable parts of the production, material and administrative overheads.

The useful life of the internally generated capitalized intangible assets can be reliably estimated. The useful life is assumed to be five years. Scheduled amortization begins with the licensing process for self-created software.

Property, plant and equipment are valued at acquisition or production cost less scheduled depreciation and any unscheduled depreciation. Property, plant and equipment are always depreciated using the straight-line method. Depreciation is pro rata temporis in the year of acquisition.

Movable fixed assets that can be used independently with acquisition or production costs of up to EUR 800.00 are fully depreciated in the year of acquisition and shown as disposals.

The useful life of property, plant and equipment is three to ten years, and 25 years for buildings.

Financial assets are valued at acquisition cost.

Non-scheduled depreciation is carried out on fixed assets if there is likely to be a permanent reduction in value. Write-ups due to the reversal requirement are made up to the amortized cost if the reasons for a permanent impairment no longer exist.

current assets

Inventories are stated at acquisition or production cost using permissible valuation simplification methods or at lower applicable values. In addition to the individual costs, the production costs also include appropriate parts of the production and material overheads as well as the depreciation of the fixed assets. Advance payments received are deducted openly.

Receivables and other assets are stated at the nominal value or at the lower of cost or current market value. Individual value adjustments on receivables are made according to the probability of default. The general credit risk is adequately taken into account by means of a general allowance for receivables.

Cash and cash equivalents are accounted for at their nominal value.

Deferred taxes

A surplus of deferred tax liabilities is recognized for temporary differences between the commercial law and tax valuations of assets, liabilities and prepaid expenses, as well as taking account of loss and interest carryforwards that can be taken into account, if a tax burden can be assumed overall in future financial years. If future tax relief is expected overall, no deferred tax assets are recognized. To the extent that the deferred tax assets correspond to the deferred tax liabilities, these are offset.

pensions and similar obligations

The benefit obligations from pension commitments were measured using the actuarial projected unit credit method based on biometric probabilities. Expected future salary and pension increases are taken into account when determining the settlement amount. For discounting, use is made of the option under Section 253 (2) sentence 2 HGB and the interest rate published by the Deutsche Bundesbank for a remaining term of 15 years is used. They are discounted using the average market interest rate for the past ten financial years, which is determined and published by the Deutsche Bundesbank.

Other Provisions

The tax provisions contain the actual obligations.

The other provisions take into account all recognizable risks and uncertain obligations, taking into account expected future price and cost increases.

liabilities

Liabilities are recognized at their settlement amount on the balance sheet date.

Notes to the balance sheet

1. Fixed assets

The development of fixed assets in the 2020 financial year is shown in Geutebrück GmbH's fixed assets schedule, which is listed as an appendix to the notes.

2. Receivables and other assets

Receivables and other assets include receivables from affiliated companies in the amount of EUR 756 thousand (previous year EUR 733 thousand).

The item receivables from affiliated companies consists of deliveries and services in the amount of EUR 737 thousand (previous year: EUR 733 thousand).

Other assets include receivables with a remaining term of more than one year in the amount of EUR 53 thousand (previous year: EUR 449 thousand).

3. Equity

The balance sheet loss includes a loss carried forward (previous year: profit carried forward) of EUR (3,488) thousand (previous year: EUR 437 thousand).

After deduction of deferred tax liabilities, the capitalization of internally generated intangible assets results in an amount of EUR 1,762 thousand that is not available for distribution. The difference from the valuation of the provisions for pensions pursuant to Section 253 (6) sentence 1 HGB results in an amount of EUR 237 thousand that is not available for distribution. The total of EUR 2,000k in non-distributable amounts is offset by freely available revenue reserves of EUR 4,000k.

4. Provisions for pensions and similar obligations

The settlement amount of the pension provisions in the year under review was EUR 1,567 thousand (previous year: EUR 1,400 thousand). The actuarial valuation of the settlement amount is based, among other things, on a discount rate of 2.30% (previous year: 2.71%), a pension trend of 2.00% (previous year: 2.00%) and a fluctuation of 2.0% per year. The probability of death is based on the "Richttafeln 2018 G" by Prof. Dr. Klaus Heubeck (Cologne 2018).

5. Liabilities

Liabilities include liabilities to banks of EUR 2,110 thousand (previous year: EUR 4,604 thousand) and liabilities to shareholders of EUR 350 thousand (previous year: EUR 401 thousand).

The liabilities in the amount of EUR 0 thousand (previous year: EUR 1,000 thousand) are secured by a time deposit lien.

The total amount of liabilities with a remaining term of up to one year consists of liabilities to banks of EUR 1,339 thousand (previous year: EUR 2,917 thousand), liabilities to shareholders of EUR 350 thousand (previous year: EUR 401 thousand) and other liabilities of EUR 985 thousand (previous year: EUR 1,971 thousand).

The total amount of liabilities with a remaining term of more than one year up to five years consists of liabilities to banks of EUR 771 thousand (previous year: EUR 1,688 thousand).

Notes to the Profit and Loss Account

Disclosure in accordance with Section 277 (5) HGB

The annual financial statements include expenses/income from the translation of receivables and liabilities in foreign currencies existing on the balance sheet date in the amount of EUR 9 thousand (previous year: EUR 20 thousand).

Interest and similar expenses include EUR 39 thousand from compounding provisions (previous year: EUR 56 thousand).

Disclosure in accordance with § 285 No. 31 HGB

Other operating income includes income from the sale of real estate in the amount of EUR 3,038 thousand.

Other Information

1. Bodies of the company

Managing directors

Catherine Geutebrueck

Christopher Hoffman

In accordance with Section 286 (4) of the German Commercial Code, the total remuneration of the members of management is not disclosed.

2. Workers

An average of 158 employees were employed in the year under review.

3. Share Ownership

As of December 31, 2020, the company held shares in the following companies in accordance with Section 271 (1) HGB:

	DEPRECIATION ACQUIRED				
	01/01/2020 EUR	Additions EUR	Transfers EUR	Departures EUR	12/31/2020 EUR
Securities held as fixed assets	0.00	0.00	0.00	0.00	0.00
	1,367,270.60	0.00	0.00	0.00	1,367,270.60
	12,301,880.07	1,552,635.66	0.00	3,143,143.44	10,711,372.29
				NET CARRYING VALUES	
				12/31/2020 EUR	12/31/2019 EUR
I. Intangible assets					
Self-created industrial property rights and similar rights and values				1,762,372.69	3,848,370.03
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values				1,077,123.19	30,886.36
				2,839,495.88	3,879,256.39
II. Tangible assets					
land and buildings				3,973,233.32	4,976,084.14
Other equipment, factory and office equipment				347,932.29	498,818.36
				4,321,165.61	5,474,902.50
III. financial investments					
Shares in affiliated companies				421,781.00	421,781.00
Securities held as fixed assets				0.00	1,000,000.00
				421,781.00	1,421,781.00
				7,582,442.49	10,775,939.89

The auditor's report relates to the annual financial statements as prepared. Disclosure takes place in an abbreviated form in accordance with §§ 325 ff. HGB.

Independent Auditor's Report

To Geutebrück GmbH
audit opinions

We have audited the annual financial statements of Geutebrück GmbH - 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. In addition, we have audited the management report of Geutebrück GmbH 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 provisions applicable to corporations and, in compliance with German generally accepted accounting principles, 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 conveys an overall correct picture of the company's situation. 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 Section 322 (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 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 of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide 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 effectiveness of these systems to society.
- We evaluate the appropriateness of the accounting methods used by the legal representatives as well as the reasonableness 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 corporate activity can raise. If we come to the conclusion that there is a material uncertainty, we are required to draw attention to the related information in the annual 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, 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 generally accepted accounting principles, give a true and fair view of the assets, financial - and results of operations 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 executive directors 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.

Oldenburg, April 14, 2021

Treuhand Weser-Ems GmbH
auditing company

Reichelt, auditor

Witte, auditor