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softgarden e-recruiting GmbH

Berlin

Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020**APPENDIX for the 2020 financial year****I. General information**

These annual financial statements were prepared in accordance with Sections 242 et seq. and 264 et seq. HGB and the relevant provisions of the GmbHG. The rules for medium-sized corporations apply.

The income statement is structured according to the nature of expense method.

In the interests of greater clarity and transparency, some of the notes that are required by law to be included in the balance sheet are listed in the appendix.

Payments of €3,031,895.54 and €1,109,414.08 were paid into the capital reserve in accordance with Section 272 (2) No. 4 HGB by resolutions of the shareholders' meeting of March 27, 2020 and October 9, 2020. In addition, a payment of €3.5 million was made to the capital reserve in accordance with Section 272 (2) No. 4 HGB in the 2021 financial year. The annual financial statements were prepared on the basis of the going concern premise.

II. Registry Information

The company is registered under the company name softgarden e-recruiting GmbH with registered office in Berlin in the commercial register of the District Court of Charlottenburg under number HRB 114159 B.

III. Accounting and valuation principles

The following accounting and valuation methods were decisive for the preparation of the annual financial statements.

Internally generated intangible assets were recognized at production cost and amortized on a straight-line basis and pro rata temporis from the time of completion over a period of 8 years based on the expected useful life. The production costs include allocable individual costs as well as proportionate production and material overheads.

Purchased intangible assets were recognized at cost and, insofar as they were subject to wear and tear, they were depreciated on a straight-line basis and pro rata temporis in accordance with the probable useful life.

Property, plant and equipment were stated at acquisition cost and reduced by scheduled straight-line depreciation pro rata temporis in accordance with the probable useful life.

Assets costing less than €800 were written off in full in the financial year, as in the previous year. The disposal is assumed in the year of acquisition.

Leasehold improvements are depreciated on a straight-line basis over the term of the rental agreement.

Fixed assets are depreciated over their normal useful life, which essentially corresponds to the tax depreciation tables.

Non-scheduled depreciation of fixed assets is carried out if a reduction in value is expected to be permanent and a lower fair value is required.

Inventories are stated at the lower of cost or fair value.

Receivables and other assets are stated at their nominal value or the lower applicable value. Recognizable individual risks were taken into account through individual value adjustments. The general credit risk was taken into account by means of a general allowance.

Cash on hand and bank balances were stated at their nominal value.

Expenses before the balance sheet date are shown as prepaid expenses if they represent expenses for a specific period after this date.

The subscribed capital was stated at nominal value.

The other provisions take into account all impending losses and contingent liabilities. They are recognized at the settlement amount required based on prudent business judgement. Provisions with a remaining term of more than one year were discounted at the relevant interest rate determined by the Bundesbank, taking future cost and price increases into account.

The company has launched a virtual employee option program (VSOP). A payout-relevant event with regard to the VSOP is not assumed. According to the BFH ruling of March 15, 2017, no provision was made.

The liabilities were recognized at the respective settlement amount.

Liabilities and receivables entered into in foreign currency were converted at the mean spot exchange rate as of the balance sheet date.

For the determination of deferred taxes due to temporary or quasi-permanent differences between the commercial law valuations of assets, liabilities and prepaid expenses and their tax valuations or due to tax loss carryforwards, these are valued with the company-specific tax rates at the time the differences are reduced and the amounts of the resulting Tax burden and relief not discounted. Active and passive tax deferrals are offset. A surplus of deferred taxes is not capitalized in exercising the existing recognition option. With the exercise of the right to choose pursuant to Section 288 (2) HGB, deferred taxes are not disclosed in the notes.

IV. Notes on the Balance Sheet and Profit and Loss Account**Capital assets**

The development of the individual items of fixed assets is shown in the appendix to the notes, together with the depreciation for the financial year.

Development costs for internally generated intangible assets were capitalized in 2020 in the amount of €582,296.79 (previous year: €1,607,577.78). In total, research and development costs of €2,550,818.53 (previous year: €2,317,739.35) were incurred in the financial year.

In the year under review, fully depreciated disposals from previous periods in the amount of € 377,609.73 were subsequently recorded in the statement of changes in fixed assets.

Stocks (ad quotas)

This item shows the status of the advertising contingents still available on the balance sheet date based on framework agreements that have already been concluded and not yet used. These are intangible current assets that are included in the product offered by softgarden e-recruiting GmbH when the advertisements are placed. Valuation is at acquisition cost or at the lower fair value on the balance sheet date.

Receivables and other assets

As in the previous year, trade receivables are due within one year.

Receivables from affiliated companies relate exclusively to trade receivables of €595.17 (previous year: €0). The receivables have a remaining term of less than one year.

Other assets with a remaining term of more than one year amount to € 182,175.14 (previous year € 161,709.96). As in the previous year, the remaining other assets have a remaining term of up to one year.

Equity capital

The share capital has not changed in the year under review.

The capitalization of self-created intangible assets (software) results in a profit distribution block of € 2,601,363.25 in accordance with Section 268 (8) HGB. In addition, there is a distribution block on deferred tax assets in the amount of €1,114,869.96. In total, there is a distribution block of €3,716,233.21.

Other provisions

Other provisions break down as follows:

	fiscal year	Previous year
staff	908,903.33	696,483.13
Publisher Invoices	330,000.00	449,124.00
Annual Accounts and Audit Expenses	95,853.00	92,650.00
retention requirements	6,000.00	6,000.00
Miscellaneous	79,476.10	140,727.26
total	1,414,232.43	1,378,984.39

liabilities

All liabilities have a residual term of up to one year. All liabilities are unsecured.

Other company income

The other operating income of € 596,592.20 (previous year: € 189,145.32) mainly relates to income from the reversal of provisions (€ 426,143.56; previous year: € 98,015.11) and other operating income (€ 165,734.79; previous year: € 84,142.38). The remaining other operating income includes income from the reduction of individual value adjustments on receivables, refunds from AAG and various credits from other periods.

Other operating expenses

Expenses relating to other periods amount to € 81,871.38 (previous year: € 115,585.13) and mainly relate to telephone costs, travel expense reports submitted at a later date and bills for placing advertisements.

short-time allowance

The short-time work allowance of €71,371.82 received from the Employment Agency represents a transitory item and is therefore netted out in personnel expenses. The reimbursement of the social security contributions to be borne by the employer in the amount of € 67,763.36 is also included in personnel expenses. As of the reporting date, there are receivables from short-time work against the employment agency in the amount of € 6,848.70.

V. Other information

contingent liabilities

Contingent liabilities i. s.d. § 251 HGB does not exist.

Other Financial Obligations

Other financial obligations from rental and leasing contracts exist in the amount of € 1,937,317.85.

	Remaining term up to 1 year	Remaining term 1 to 5 years	remaining term over 5 years
rental properties	€620,598.64	€ 1,272,553.21	€0.00
leasing	€ 15,588.00	€ 28,578.00	€0.00
total	€ 636,186.64	€ 1,301,131.21	€0.00

As shown in the section "Disclosures on accounting and valuation methods", the company has set up a virtual employee option program. The future payment obligations that may result from this cannot be determined conclusively according to the current state of knowledge.

Managing directors

The following are or were appointed as managing directors of the company in the 2020 financial year:

- Stefan Heinz Schueffler, CTO - Chief technical officer
- Mathias Heese, CEO - Chief executive officer
- Claus Müller, CFO - Chief financial officer (since December 1, 2021)

With regard to the disclosure of directors' salaries, use was made of the protective clause of Section 286 (4) HGB.

Employees

The average number of employees during the 2020 financial year according to Section 285 No. 7 HGB:

	fiscal year	Previous year
inland	121	97

	fiscal year	Previous year
Abroad	4	1
total	125	98

Appropriation of earnings

Management proposes to the shareholders' meeting to carry forward the annual loss of €1,993,199.08 to the loss carried forward.

supplementary report

Based on the resolution of the shareholders' meeting of August 12, 2021, a payment of €3.5 million was made into the capital reserve in accordance with Section 272 (2) No. 4 HGB.

Softgarden e-recruiting GmbH acquired 100% of the shares in absence.io GmbH, Munich, in August 2021. No effects on the net assets, financial position and results of operations of the company are expected. After the balance sheet date, no other events of particular importance occurred that have a significant financial impact.

Berlin, March 25, 2022

Stefan Heinz Schueffler, Managing Director

Mathias Heese, Managing Director

Claus Mueller, Managing Director

Independent Auditor's Report

To softgarden e-recruiting GmbH, Berlin

audit opinions

We have the annual financial statements of softgarden e-recruiting GmbH, Berlin - 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 notes, including the presentation of the accounting - and evaluation methods - checked. In addition, we have audited the management report of softgarden e-recruiting 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 regulations applicable to corporations and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of December 31, 2020 and its earnings position for the financial year from January 1 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 statutory provisions and to be able to provide sufficient suitable evidence for the statements in the management report.

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

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

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

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

- We identify and assess the risks of material - intentional or unintentional - misstatements in the annual financial statements and in the management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- We gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit

opinion on the effectiveness of these systems of society.

- We evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Company's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the financial statements and management report in the auditor's report or, if such disclosures are inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- We evaluate the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial and earnings situation of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Berlin, March 25, 2022

KPMG AG
auditing company
Sternberg, chartered accountant
Adam, Chartered Accountant

Balance sheet as of December 31, 2020

assets

	EUR	12/31/2020 EUR	12/31/2019 EUR
A. Fixed assets			
I. Intangible assets			
1. Self-created industrial property rights and similar rights and values	3,716,233.21		3,793,345.55
2. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	78,790.30		4,628.77
		3,795,023.51	3,797,974.32
II. Tangible assets			
Other equipment, factory and office equipment		497,884.01	481,270.69
		4,292,907.52	4,279,245.01
B. Current Assets			
I. Inventories			
1. Ad Quotas		3,022,783.18	2,311,632.12
2. Advance payments made		54,055.32	78,658.14
		3,076,838.50	2,390,290.26
II. Receivables and other assets			
1. Trade accounts receivable	1,921,381.81		1,743,343.73
2. Receivables from affiliated companies	595.17		0
3. Other Assets	207,903.21		191,595.77
		2,129,880.19	1,934,939.50
III. Cash and bank balances		2,901,710.22	721,850.81
		5,031,590.41	2,656,790.31
C. Prepaid expenses		171,386.80	132,024.05
		12,572,723.23	9,458,349.63

liabilities

	EUR	12/31/2020 EUR	12/31/2019 EUR
A. Equity			
I. Drawn capital		446,113.00	446,113.00
II. Capital Reserve		10,711,175.81	6,569,866.19
III. loss carried forward		-6,279,684.07	-5,740,218.63
IV. Loss for the year		-1,993,199.08	-539,465.44
		2,884,405.66	736,295.12
B. Provisions			

	EUR	12/31/2020 EUR	12/31/2019 EUR
Other provisions		1,414,232.43	1,378,984.39
C. Liabilities			
1. Liabilities to banks	34,683.00		0.00
2. Deposits Received on Orders	3,275,838.05		3,273,529.85
3. Trade Accounts Payable	1,400,189.78		1,390,110.13
4. Other Liabilities	802,126.69		438,718.22
of which from taxes EUR 488,858.38 (previous year: EUR 358,797.69)			
thereof in the context of social security EUR 0.00 (previous year: EUR 536.00)			
		5,512,837.52	5,102,358.20
D. Accruals and Accruals		2,761,247.62	2,240,711.92
		12,572,723.23	9,458,349.63

Profit and Loss Account for 2020

	EUR	EUR	2019 EUR
1. Revenue	21,636,640.53		21,833,573.65
2. Other own work capitalized	582,296.79		1,607,577.78
3. Other operating income	596,592.20		189,145.32
of which income from currency translation EUR 38.30 (previous year: EUR 224.82)			
		22,815,529.52	23,630,296.75
4. Cost of Materials			
Expenses for purchased services		-11,073,424.37	-12,252,312.54
5. Personnel expenses			
a) Wages and salaries	-7,794,184.06		-6,256,213.94
b) Social security contributions and expenses for pensions and for assistance	-1,244,123.63		-1,018,298.08
of which for pensions EUR 36,436.05 (previous year: EUR 28,061.04)			
		-9,038,307.69	-7,274,512.02
6. Depreciation of intangible fixed assets		-886,248.61	-786,893.86
7. Other Operating Expenses		-3,809,697.28	-3,815,138.56
of which expenses from currency translation EUR 3,010.98 (previous year: EUR 937.82)			
8. Depreciation of financial assets and marketable securities		0.00	-3,000.00
10. Interest and Similar Expenses		0.00	-23,919.34
11. Income taxes		-0.65	0.00
12. Earnings after taxes		-1,992,149.08	-525,479.57
13. Other Taxes		-1,050.00	-13,985.87
14. Net Loss		-1,993,199.08	-539,465.44

MANAGEMENT REPORT FOR THE 2020 FINANCIAL YEAR

I. Basic information about the company

A. General and Business Model

softgarden e-recruiting GmbH (softgarden or company for short) provides its customers with recruiting software so that they can attract the best candidates. The Talent Acquisition Suite enables applicant management, employer branding and HR marketing for recruiting. With Career Page Pro, customers can create a career page themselves without involving external agencies. In applicant management, softgarden enables a location-independent application process via an app. When selecting applicants, employers reach candidates on social networks with the integrated recommendation manager. softgarden customers post position-related job offers across channels on over 300 job exchanges in the Media division and can address attractive and current candidates via active sourcing in the softgarden Talent Network. The employer branding on the career website is strengthened by the applicant feedback collection via the functions of the feedback solution. Employers can use this to automatically generate feedback from applicants and new employees, which they can make visible on their own website and/career page as well as on the company rating platform kununu. This improves their online reputation. Companies of all industries and sizes use the cloud solution, which is easy and quick to implement.

Spoonbill GmbH, Berlin, has held 100% of the shares in softgarden since 2018. The company has branches in Berlin, Saarbrücken and Kraków. The branch in Hennigsdorf near Berlin was closed in September 2021.

Softgarden e-recruiting GmbH acquired 100% of the shares in absence.io GmbH, Munich, in August 2021. absence.io offers tools for transparent vacation planning, absence management, digital personnel files and time recording.

B. Research and Development

New products and the expansion of the technical lead are among the competitive advantages in the recruiting market. Therefore, the development of new products plays an important role for softgarden. Their functionality and modernity are just as important for economic success as the use of common development platforms and the expansion of additional functionalities.

Product management was significantly strengthened in order to be able to implement the continuous improvement of the product portfolio with the development team, which was also strengthened.

In 2020 the JustHire module was further developed. Two add-on modules have been created - the Video Interview Module and the Agency Solution Module. Work was also carried out on the careers page Pro and on the multiposting shop, the completion of which is planned for the end of the second quarter of 2022.

The expenses of softgarden for research and development (costs recorded directly as expenses of EUR 2 million and capitalized software development costs of EUR 0.6 million) in 2020 totaled EUR 2.6 million and were above the previous year's figure of EUR 2.3 million. Euro. In the year under review, the development costs included

third-party services amounting to EUR 0.2 million. In the financial year, capitalized development costs were written off in the amount of EUR 0.7 million.

II. Economic report

A. Macroeconomic and Industry Environment

The German gross domestic product (GDP) fell by 4.9% in the 2020 financial year compared to the previous year. The decline is mainly due to the effects of the corona pandemic on economic activities¹. Negative growth was achieved in 2020 due to the Corona crisis.

According to a study by the Friedrich-Alexander University, Nuremberg, on the subject of "Digitization and the future of work from 2020", 8 out of 10 of the top 1,000 companies see the digital transformation of human resources as vital for their organization.² However, a study by the Martin Luther University Halle-Wittenberg from 2020 shows that only 58% of German companies have digitally automated tasks and processes in HR work to date. A quarter plan to do so in the near future.³

B. Business Development

The key control parameters for softgarden are sales and the annual result.

1. Sales development

Despite the corona pandemic, softgarden's sales fell only slightly by 1% in 2020 from EUR 21.8 million to EUR 21.6 million. The planned values in the software business were almost reached, in the media business there was a corona-related decline.

Internationalization was promoted with sales activities from Germany and Poland. The intensification of the international business of softgarden will be expanded to other European countries via the markets in Austria, Switzerland, Poland and Spain that have already been supplied.

2. Employee development

Personnel development and qualification of employees are of crucial importance for the further development and the planned growth of softgarden. The high qualification and motivation of the employees represent a decisive success factor for a specialized software provider like softgarden. Therefore, the company has been characterized for many years by a particularly high proportion of academics.

The average number of employees increased from 98 employees in 2019 to 125 employees in 2020.

¹ <https://de.statista.com/statistics/data/studie/1251/umfrage/entwicklung-des-grossdomesticproducts-seen-dem-jahr-1991/#professional>

² Friedrich-Alexander -University of Erlangen-Nuremberg: Digitization and the future of work, 2020, p. 3 ³ Martin Luther University Halle-Wittenberg: 22 HR studies at a glance, 2020, p. 12

Due to the large need for personnel, softgarden invests a lot in active applicant management and presence on various career portals. For software development in particular, softgarden increasingly relies on applicants from outside Europe and supports them. Softgarden succeeds, essentially supported by the use of its own software products, in hiring and integrating qualified employees and binding them to the company in the long term. The turnover rate is low. The remuneration structure includes performance- and result-oriented components.

C. Results of Operations

	2020		2019		change	
	kEUR	%	kEUR	%	kEUR	%
overall performance	22.219	100%	23,441	100%	-1,222	-5%
Other operating income	597	3%	189	1 %	407	215%
Operational Effort	-24,808	-109%	-24.129	-102%	-679	-3%
Investment and financial result	0	0%	-27	0%	27	-100%
Earnings before taxes	-1,992	-9%	-525	-2%	-1,467	-279%
annual result	-1,993	-9%	-539	-2%	-1,454	-269%

Overall performance slightly decreased

The total output of softgarden fell slightly in 2020 by EUR 1,222 thousand from EUR 23.4 million to EUR 22.2 million. Revenue fell by EUR 197 thousand. Sales and the annual result in the reporting year did not reach the value forecast for 2020 (forecast EUR 25,663 thousand and EUR -1,395 thousand). This is due to the decline in media business in March, April and May 2020 due to the COVID-19 pandemic.

The amount of own work capitalized is significantly lower in the year under review (EUR 0.6 million) compared to the previous year (EUR 1.6 million). In FY 2020, more maintenance expenses were incurred compared to the previous year, in the previous year there were more production costs for self-created immat. VG, which led to the decrease in other own work capitalized.

Other operating income rose by EUR 408 thousand from EUR 189 thousand to EUR 597 thousand in the year under review. The main reason for this is the increased income from the reversal of provisions.

effort increased

The cost of purchased services decreased in 2020 by EUR 1.2 million from EUR 12.3 million to EUR 11.1 million. The decline is due to the decline in media business in March, April and May 2020 due to the COVID-19 pandemic. This is also the reason for the declining material usage rate.

Personnel expenses increased by EUR 1.7 million from EUR 7.3 million to EUR 9 million. This is mainly due to the increase in the average number of employees from 98 in 2019 to 125 in 2020.

Due to the amount of additions to the self-developed software in the previous year, depreciation increased by EUR 99 thousand in the year under review.

Other operating expenses remained almost constant in the year under review.

annual result

The costs of internationalization - above all by hiring more employees - and the amount of expenses for product development more than compensated for the sales, so that softgarden closed the financial year with a net loss of EUR 2 million (previous year: EUR 0.5 million).

D. Financial Condition

The cash flow statement below gives an overview of the origin and use of the company's funds, in which the cash flows are broken down into the three areas of operating activities, investing activities and financing activities.

	2020	2019
Cash flow in EUR thousand		
from operational business activities	-1,062	1,894
from investment activity	-900	-2,053
from financing activities	4,141	-24
Total	2,180	-182
Cash funds in EUR thousand	2020	2019

Cash funds in EUR thousand	2020	2019
At the beginning of the period	722	904
At the end of the period	2,902	722
change	2,180	-182

The company's investment priorities are the further development of the products and the international expansion of the business. In doing so, softgarden relies on large pilot customers and reliable partnerships both for internationalization and for the development of new products and functionalities. The cash flow from investing activities relates to capitalized software development costs of EUR 582 thousand.

The cash flow from current business activities fell by EUR 2,956 thousand. This is due to the higher expenses for maintaining and updating the existing software products and hiring new staff as part of the company's expansion strategy.

The cash flow from financing activities relates to an additional payment by the shareholder to the capital reserve in the amount of EUR 4.1 million. Cash and cash equivalents at the end of the year rose from EUR 722 thousand to EUR 2,902 thousand as a result of this payment and the increase in advance payments received, as well as the increase in deferred income.

On December 31, 2020, softgarden had no loans to finance ongoing business. Softgarden was able to meet its payment obligations in the 2020 financial year, taking into account the additional payments made to equity.

E. Assets

Assets	2020	2019	change
in kEUR			
Capital assets	4,293	4,279	14
Stocks	3,077	2,390	687
Short Term Claims	1,921	1,743	178
Cash and cash equivalents	2,902	722	2,180
Other Assets	379	324	55
Total assets	12,572	9,458	3.114
capital	2020	2019	change
in kEUR			
Equity capital	2,884	736	2.148
accruals	1,414	1,379	35
Liabilities to credit institutions	35	0	35
Payments received	3,276	3,274	2
liabilities from goods and services	1,400	1,390	10
other liabilities	802	438	364
prepaid expenses	2,761	2,241	520
Total liabilities	12,572	9,458	3.114

The total assets of softgarden increased in 2020 by 34% from EUR 9.4 million to EUR 12.6 million.

On the assets side, current assets increased by EUR 3.1 million from EUR 5.0 million to EUR 8.1 million. The increase is mainly due to the higher cash and cash equivalents, the increase in trade accounts receivable and the change in inventories. Fixed assets have remained largely constant.

On the liabilities side, equity increased by EUR 4.1 million despite the net loss for the year as a result of the shareholder's contributions to the capital reserve. The balance sheet equity ratio increased by 15.0 percentage points from 7.8% to 22.9%. The provisions increased mainly due to increased provisions for commissions by EUR 35 thousand. Liabilities to banks include the credit card statement for December 2020 and amount to EUR 35 thousand. Prepayments received increased by EUR 2 thousand. Trade payables have remained largely constant. Other liabilities increased by EUR 364 thousand and deferred income by EUR 520 thousand. The increase in advance payments received and deferred income is related to the increasing order development. All liabilities are of a short-term nature.

The shareholder, Spoonbill GmbH, Berlin, paid EUR 3.5 million into the capital reserve in August 2021. This leads to an increase in the equity ratio in the following year and a strengthening of liquidity.

F. Overall assessment of the earnings, financial and asset situation

As part of the expansion efforts and the ongoing internationalization of the company, additional employees were hired in the 2020 financial year. The resulting increase in personnel expenses and the investments in the existing software products that cannot be capitalized led to a negative result of EUR 2 million (previous year: EUR -0.5 million) being generated in 2020. The company's cash and cash equivalents increased significantly compared to the previous year, mainly due to the additional payments by the shareholder to the company's capital reserve.

Overall, softgarden's asset situation has improved compared to the previous year.

III. Forecast, opportunity and risk report

The company is exposed to a number of risks, which are presented below in order of decreasing importance. The following statements contain risks that were identified as of the balance sheet date. No financial instruments were used to hedge risks in the financial year.

A. Financial and Liquidity Risks

To finance the operational business, softgarden uses instruments, which essentially consist of performance receivables and liquid funds. The most important risks here are default, liquidity and fair value risks. Default and liquidity risks are managed using control procedures. For the company, there is no concentration of default risk with individual or a group of contractual partners. Softgarden strives to have sufficient liquidity to meet its obligations.

The management does not expect any significant increase in bad debts due to the economic development in connection with the COVID-19 pandemic.

Softgarden mainly conducts transactions that are concluded in euros. In the future, transactions in foreign currencies can also be expected due to internationalization.

With the monthly liquidity planning of softgarden and the measures to be derived from it, the financial requirements for the operational business and investments are determined. A monthly rolling forecast with a planning horizon of two years is made via risk management. The combination of short-term weekly liquidity planning, taking into account the current payment flows based on DATEV accounting and the liquidity forecasts from the continuous updating of the planning in a forecast calculation, enables the company to have up-to-date and well-founded financial planning at all times. There is no liquidity risk based on the payments made to equity.

Due to the positive operating results generated in the 2021 financial year and the contribution to equity in the 2021 financial year, there was no significant change in cash and cash equivalents. We therefore assess the financial and liquidity risks for the company as low.

B. Internationalization

The focus of the softgarden strategy for the next few years is further growth in the DACH region (Germany, Austria and Switzerland) through the further expansion of services for customers with new products and the further optimization of the functions provided. In the medium and long term, additional risks arise from internationalization. In particular, the risks are that the market entry will not be successful and that future sales will therefore not be realized as planned.

C. Technical Risks

A technical risk is a failure of the platform. This risk is minimized by outsourcing the hosting server. The hosting is operated externally, so that the appropriate capacity management, continuous monitoring and improvement of the server infrastructure and regular backup of all relevant data are ensured.

Another technical risk is cyber attacks or phishing (social engineering). softgarden counters these risks with the data protection and security team, which documents the relevant processes and plans and implements the necessary awareness-raising measures. Employee training is carried out annually.

In the 2020 financial year, none of the above attacks were registered. These could lead to increased expenses or loss of sales due to business interruptions.

D. Overall Risk

There are currently no risks that are critical to the company or other risks that affect the company. The risks identified above could have a negative impact on the performance indicators if they materialized. At the present time, softgarden has no indications that individual risks or the combination of all risks in the reporting period endanger the existence of the company.

E. Opportunity Report

Softgarden was able to keep incoming orders and sales almost constant in 2020 despite the Corona crisis. The development has shown that the market for digital recruiting is growing rapidly. Softgarden sees itself in a position to be able to offer the optimal solution for a large number of companies in the coming years. This could lead to further increases in sales.

In the long term, softgarden will develop additional business potential by expanding international business. The payment into the capital reserve made in August 2021 and the acquisition of abence.io will strengthen the development of international business. The need for pre-financing and cash credits can only increase as a result of possible takeovers as part of internationalization. Similarly, the chances of entry can have a positive impact on the performance indicators.

F. Forecast Report

The trend towards further digitization of business processes in recruiting continued in 2020 and was further intensified by the corona pandemic in 2021. Other important drivers are the company's personnel search, which is increasingly being designed under employer branding aspects and the associated trend towards combining the classic service of the applicant management system with the online marketing-oriented design of the career page and the introduction of a serious feedback component for applicants.

The focus of the planning is the further development of the product range and the internationalization of the business while hiring additional staff.

In 2021, a significant increase in sales was achieved, which is far above plan. Overall, despite the continued expansion of employee capacities and internationalization, a balanced annual result is expected in 2021.

For 2022, a moderate increase in sales and a slightly positive annual result are expected due to the further expansion of international business and continued growth in the DACH market. Depending on the extent of the internationalization efforts and the speed at which customers are acquired in the new markets, a more positive annual result is also expected. The development of the COVID-19 pandemic is generally taken into account.

Berlin, March 25, 2022

Stefan Heinz Schueffler, Managing Director

Mathias Heese, Managing Director

Claus Mueller, Managing Director

Ballot papers for the shareholder resolution in the circulation procedure of softgarden e-recruiting GmbH sent by e-mail to the shareholders on March 29th, 2022

Overview of the decisions

1st topic: Approval of the audited annual financial statements 2020

2nd topic: Discharge of the management of softgarden e-recruiting GmbH

3. Topic: Appropriation of net income for 2020

4. Signature

1st topic: Approval of the audited annual financial statements 2020

The 2020 annual financial statements of softgarden e-recruiting GmbH, certified by KPMG AG Wirtschaftsprüfungsgesellschaft, were attached to the e-mail.

Resolution: These annual financial statements are approved by the group of shareholders.

I agree:

I do not agree:

I am abstaining:

2nd topic: Discharge of the management of softgarden e-recruiting GmbH

Resolution: We hereby discharge the management of softgarden e-recruiting GmbH for the 2020 financial year.

I agree:

I do not agree:

I am abstaining:

3. Topic: Use of annual results 2020

Resolution: The annual deficit of EUR 1,993,199.08 will be carried forward to new account.

I agree:

I do not agree:

I am abstaining:

4. Signature

Waiving all form and deadline requirements that result from the articles of association of softgarden e-recruiting GmbH or from legal regulations, I declare my adoption of all resolutions listed above. With my vote, I agree to the written resolution being passed without a general meeting.

29.3.2022

Spoonbill GmbH
(Commercial Register District Court Charlottenburg HRB 197698 B)
GEORG KNOFLACH

