

search result

Surname	Area	information	V. date
softgarden e-recruiting GmbH Berlin	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2019 to December 31st, 2019	06/22/2021



softgarden e-recruiting GmbH

Berlin

Annual financial statements for the financial year from January 1st, 2019 to December 31st, 2019

Profit and Loss Account for 2019

	EUR	EUR	2018 EUR
1. Revenue	21,833,573.65		18,393,380.75
2. Other own work capitalized	1,607,577.78		862,677.48
3. Other operating income	189,145.32		195,212.62
of which income from currency translation EUR 224.82 (previous year EUR 564.45)			
		23,630,296.75	19,451,270.85
4. Cost of Materials			
Expenses for purchased services		-12,252,312.54	-10,444,165.46
5. Personnel expenses			
a) Wages and salaries	-6,256,213.94		-5,083,813.61
b) Social security contributions and expenses for pensions and for assistance	-1,018,298.08		-753,762.49
of which for pensions EUR 28,061.04 (previous year EUR 18,460.84)			
		-7,274,512.02	-5,837,576.10
6. Depreciation of intangible assets and property, plant and equipment		-783,043.14	-599,096.37
7. Other Operating Expenses		-3,818,989.28	-2,364,463.18
of which expenses from currency translation EUR 937.82 (previous year EUR 731.03)			
8. Other Interest and Similar Income	0.00		2,041.19
9. Depreciation of Financial Assets	-3,000.00		0.00
10. Interest and Similar Expenses	-23,919.34		-21,404.60
thereof expenses from compounding EUR 219.28 (previous year: EUR 175.62)			
		-26,919.34	-19,363.41
11. Earnings after taxes		-525,479.57	186,606.33
12. Other Taxes		-13,985.87	-493.00
13. Loss for the year (previous year: net income)		-539,465.44	186,113.33

Independent Auditor's Report

To softgarden e-recruiting GmbH

audit opinions

We have the annual financial statements of softgarden e-recruiting GmbH, Berlin, - consisting of the balance sheet as of December 31, 2019 and the income statement for the financial year from January 1 to December 31, 2019 and the appendix, including the presentation of the Accounting and valuation 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, 2019.

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

- The attached annual financial statements correspond in all material respects to the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of December 31, 2019 and its earnings position for the financial year from January 1 to December 31, 2019 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 give away systems of society;
- we evaluate the appropriateness of the accounting methods used by the legal representatives as well as the reasonableness of the estimated values and related disclosures presented by the legal representatives;
- 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 results of operations of the company;
- Evaluate the consistency of the management report with the annual financial statements, its compliance with the law and the view it gives 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, June 4, 2021

Ernst & Young GmbH
auditing company
DIEDERICHS DETLEF, auditor
WEINBERG DIRK, auditor

Balance sheet as of December 31, 2019

assets

12/31/2019

12/31/2018

	EUR	12/31/ 2019	12/31/ 2018
	EUR	EUR	EUR
A. Fixed assets			
I. Intangible assets			
1. Self-created industrial property rights and similar rights and values	3,793,345.55		2,736,421.84
2. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	4,628.77		23,276.93
		3,797,974.32	2,759,698.77
II. Tangible assets			
Other equipment, factory and office equipment		481,270.69	253,892.51
III. financial assets			
holdings		0	3,000.00
		4,279,245.01	3,016,591.28
B. Current Assets			
I. Inventories			
1. Ad Quotas		2,311,632.12	2,096,113.30
2. Advance payments made		78,658.14	135,020.11
		2,390,290.26	2,231,133.41
II. Receivables and other assets			
1. Trade accounts receivable	1,743,343.73		1,923,148.39
2. Other assets	191,595.77		267,947.82
		1,934,939.50	2,191,096.21
III. Cash and bank balances			
		721,850.81	903,978.37
		5,047,080.57	5,326,207.99
C. Prepaid expenses			
		132,024.05	63,499.64
		9,458,349.63	8,406,298.91
liabilities			
			12/31/2018
	EUR	EUR	EUR
A. Equity			
I. Drawn capital			
Unclaimed outstanding deposits	446,113.00		446,113.00
			0.00
		446,113.00	446,113.00
II. Capital Reserve			
		6,569,866.19	6,569,866.19
III. loss carried forward			
		-5,740,218.63	-5,926,331.96
IV. Net income (previous year: net loss)			
		-539,465.44	186,113.33
		736,295.12	1,275,760.56
B. Provisions			
Other provisions		1,378,984.39	1,055,805.37
C. Liabilities			
1. Liabilities to banks	0.00		0.00
2. Deposits Received on Orders	3,509,648.70		2,294,646.30
3. Trade Accounts Payable	1,390,110.13		1,665,455.46
4. Other Liabilities	202,599.37		516,331.11
thereof from taxes EUR 357,809.70 (EUR 408,260.78)			
thereof in the context of social security EUR 1,523.99 (EUR 98,359.60)			
		5,102,358.20	4,476,432.87
D. Accruals and Accruals			
		2,240,711.92	1,598,300.11
		9,458,349.63	8,406,298.91

MANAGEMENT REPORT FOR THE 2019 FINANCIAL YEAR

foundations of society

business model

softgarden e-recruiting GmbH (in short: SOFTGARDEN or company) 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 successful and high-performance recruiting. With Career Page Pro, customers can create a conversion-optimized career page themselves without involving external agencies. In applicant management, SOFTGARDEN enables a fast and location-independent application process via APP. When selecting applicants, employers can use the integrated recommendation manager to reach candidates on social networks, by using the existing contacts of their employees. 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 you can make visible on your own website and/career page as well as on the company evaluation platform kununu. This improves their online reputation. About 1

Spoonbill GmbH, Berlin, has held 100% of the shares in SOFTGARDEN since September 2018. softgarden e-recruiting GmbH has locations in Berlin, Saarbrücken and Krakow.

strategy and control system

The corporate strategy continues to focus on growth and internationalization. In order to achieve the strategic goals, SOFTGARDEN relies on technological leadership and a high pace of development in order to serve the market with new products and extended functions at an early stage.

The company is pursuing a two-pronged growth strategy, on the one hand in the DACH market (Germany, Austria and Switzerland) with further market penetration of the software market and the replacement of customer legacy systems and on the other hand with the establishment and expansion of international business with its software products. The international markets already addressed are the markets in Poland and Spain. In addition, SOFTGARDEN wants to open up new markets in English-speaking European countries.

The proportion of software products in the product portfolio is therefore constantly increasing. Although moderate increases in sales are also planned for the media business, these will be lower in percentage terms than in the software business. In particular, the expansion of the software business by increasing the export share and intensifying business in the DACH region creates economies of scale and thus improves the economic situation.

The key control parameters for achieving the strategic goals are the added MMR (the additional monthly recurring revenue gained) and the amount of revenue from licenses (subscription) as key indicators for achieving growth. Other control parameters are:

- the development of sales as a key figure for the growth rate
- incoming orders as a key early indicator of future sales growth.

SOFTGARDEN's monthly liquidity planning and the measures derived from it ensure that the financial requirements for the operational business and investments are covered. 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 forecast 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.

Research and Development

New products and the expansion of the technical lead are among the competitive advantages in the recruiting market. The development of new products therefore plays an important role for SOFTGARDEN. Their functionality and modernity are just as crucial for economic success as the use of common development platforms and the expansion of new 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 2019, the software product portfolio was significantly expanded by the careers page Pro, which significantly expands the application experience of candidates on the companies' careers page. In addition, a number of functional extensions to the applicant management system were implemented and recommendation management and HR marketing were further developed.

SOFTGARDEN's expenses for research and development (costs recorded directly as expenses of 0.7 million euros and capitalized software development costs of 1.6 million euros) in 2019 were 2.3 million euros above the previous year's figure of 1.4 million euros. This included external services amounting to 0.4 million. In the 2019 financial year, capitalized development costs were amortized by 0.5 million euros.

economic report

Business development and framework conditions

The global economy continued to grow at a slower pace in 2019: global gross domestic product (GDP) rose by just 2.2% (after 6.2% in the previous year) ((IMF), 2020)¹. In 2020, the corona crisis only resulted in negative growth of -4.2%. Positive growth of 8.6% is expected for 2021.

¹ <https://de.statista.com/statistics/data/studie/159798/umfrage/entwicklung-des-gdp-gross-domestic-product-worldwide/#professional>

In the EU, solid GDP growth slowed down over the year, reaching 1.6% (PY: 1.9%) (Destatis, 2020)². The rate of change for the majority of the countries in this region decreased compared to the previous year. The negotiations on Great Britain's exit from the European Union (EU), which lasted throughout the year, and the associated questions about the future structure of relations caused uncertainty.

In Germany, GDP growth continued in 2019 with a good situation on the labor market, but at 0.6% the momentum slowed compared to the previous year (1.5%) (destatis, 2020)³. The mood of both companies and consumers clouded over the course of the year.

industry development

Further growth is expected worldwide for the overall market for recruiting technologies. According to a study by Roland Berger, growth of EUR 400 million to EUR 1.7 billion is expected for Germany in the period from 2015 to 2020. The market is thus showing solid growth in all segments (recruiting services, marketing, technologies).

Growth in software continues to be significant

For a cross-industry software provider like SOFTGARDEN, the economic development of the most important products is of particular importance.

In the software area in particular, the positive trend of previous years for SOFTGARDEN continued with stable sales growth of well over 40% annually. SOFTGARDEN was able to significantly expand the capacities in software development in order to further develop the products in their variety, functionality and quality and thus further expand the foundation for continued growth.

Order and revenue growth in multiposting

In 2019, SOFTGARDEN also continued the positive trend of the previous year in the area of multiposting, with both sales and incoming orders increasing significantly. The existing customer business was also further strengthened by the expansion of the media sales team.

Sales and earnings growth

The turnover of SOFTGARDEN increased significantly in 2019 and is 18.7% above the previous year's values. Incoming orders increased to almost 22 million euros in all areas of the company.

The internationalization was promoted with sales activities from Germany and at the new location in Poland (Krakow). The intensification of the international business of SOFTGARDEN will in future be expanded to other European countries via the markets in Austria, Switzerland, Poland and Spain that have already been supplied.

² <https://www.destatis.de/Europa/DE/Thema/Basistabelle/Wirtschaft-Finanzien.html;jsessionid=D7AF54EID5B2EE0F91F310160D25A0D2.live731>

³ <https://www.destatis.de/Europa/DE/Theme/Basic-Table/Economy-Finance.html;jsessionid=D7AF54EID5B2EE0F91F310160D25A0D2.live731>

Earnings before other taxes turned from profit in 2018 with a reduction of EUR 712 thousand to a negative value of EUR -525 thousand in 2019, whereby the target formulated for 2019 of a significant increase in sales was achieved and the target of an increase in incoming orders was also exceeded.

earnings situation

	2019		2018		change	
	kEUR	%	kEUR	%	kEUR	%
overall performance	23,630	100	19,451	100	4,179	21
Operational Effort	-24.128	-102	-19,245	-99	-4,883	25

	2019		2018		change	
	kEUR	%	kEUR	%	kEUR	%
Investment and financial result	-27	0	-19	0	-8th	42
Earnings before taxes	-525	-2	187	1	-712	-381
annual result	-539	-2	186	1	-725	-390

Total performance above previous year

The total output (sales revenue + other capitalized own work + other operating income) of SOFTGARDEN was 4.1 million euros higher in 2019 at 23.6 million euros. This was achieved through the expansion of sales and marketing efforts in connection with the expansion of existing customers.

effort increased

The cost of purchased goods and services increased by EUR 1.8 million to EUR 12.3 million due to the growth in the media business. Personnel expenses rose by 1.5 million euros from 5.8 million euros to 7.3 million euros due to the expansion of the workforce. In connection with the increased investments in self-created software, depreciation increased further compared to the previous year. The increase in other operating expenses by 2.4 million is mainly due to increased sales and marketing expenses, a higher purchase of third-party services and higher space costs.

Result

The capacities created to achieve the planned sales growth in the following years - above all by hiring more employees - more than compensated for the increased margin, so that SOFTGARDEN closed the financial year with a net loss of EUR 539 thousand.

financial position

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.

Cash flow T€	2019	2018
from ongoing business activities	1,893	1,301
from investment activity	-2,051	-1,080
from financing activities	-24	516
Total	-182	737
Cash funds T€	2019	2018
at the beginning of the period	904	167
at the end of the period	722	904
change	-182	737

The company's investment priorities are the further development of the products and the international expansion of the business. Both are to be financed from the operational business. SOFTGARDEN relies on major pilot customers and reliable partnerships for both internationalization and the development of new products and functionalities. The cash flow from investing activities relates to capitalized software development costs of EUR 1.6 million.

The cash flow from operating activities increased by EUR 592 thousand, in particular due to the increase in liabilities with relatively constant current assets and the positive order and sales development in the 2019 financial year.

The cash flow from financing activities relates to interest payments for current liabilities of the period in the amount of EUR 24 thousand. In the previous year, it related in particular to a shareholder contribution of EUR 501 thousand.

On December 31, 2019, SOFTGARDEN did not have any cash credit lines to finance ongoing business. In the previous year, the company had a cash credit line of EUR 0.5 million. SOFTGARDEN was able to meet its payment obligations at all times in the 2019 financial year.

financial position

Assets T€	2019	2018	change
Capital assets	4,279	3,016	1,263
Stocks	2,390	2,231	159
Short Term Claims	1,743	1,923	-180
Cash and cash equivalents	722	904	-182
Other Assets	324	332	-8th
Total assets	9,458	8,406	1,052
Capital T€	2019	2018	change
Equity capital	736	1,276	-540
accruals	1,379	1,055	324
Payments received	3,273	2,295	978
liabilities from goods and services	1,390	1,666	-276
Current Liabilities	439	516	-77
prepaid expenses	2,241	1,598	643
Total liabilities	9,458	8,406	1,052

The balance sheet total of SOFTGARDEN increased in 2019 by 12.5% to 9.4 million euros.

Fixed assets increased from EUR 3.0 million to EUR 4.3 million. The increase results primarily from the capitalization of internally generated software in intangible assets. Current assets remained largely constant in the 2019 financial year.

The equity ratio fell from 15.2% to 7.8%. Provisions increased by EUR 324 thousand, mainly due to higher commissions, and advance payments received increased by EUR 978 thousand. Trade payables fell significantly by EUR 276 thousand. Current liabilities decrease by EUR 77 thousand and deferred income increase by EUR 643 thousand. The increase in prepayments received and deferred income is related to the development of orders.

The shareholder, Spoonbill GmbH, Berlin, paid EUR 3.0 million into the capital reserve in March 2020 and EUR 1.1 million in October 2020. This leads to an increase in the equity ratio in the following year as well as further securing of liquidity.

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 2019 financial year and investments were made in software development. The resulting increase in personnel expenses and depreciation meant that a negative result was generated in 2019 despite the increased total output. The company's cash and cash equivalents decreased slightly compared to the previous year.

Overall, however, the company's financial situation has improved compared to the previous year. The cash flow from operating activities increased compared to the previous year, which enabled the company to increase payments for investments compared to the previous year. The asset situation of SOFTGARDEN can still be assessed as stable. SOFTGARDEN continues to have the financial prerequisites to realize organic growth.

Employees

The high qualification and motivation of the employees represents 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.

Personnel development and qualification of employees are of decisive importance for the functionality and degree of innovation of the products developed by SOFTGARDEN. The main focus here is on specialist training and the qualification of employees.

management information system

SOFTGARDEN has significantly expanded the management information system (short: MIS) in 2019. It aims to ensure the long-term success of the company.

All company processes are documented in the MIS. This creates the basis for achieving generally binding certifications.

The MIS serves as a uniform information and control tool for all levels of the company. Regular reports, which are essentially created monthly, deliver key figures defined in the policy system from the areas:

- Development of the order situation and capacity utilization
- liquidity planning
- Development of the asset and financial position
- Forecast of the key economic figures (sales, gross profit, costs, EBIT)
- Sales forecast and market development
- Project controlling and contract management.

Analysis of opportunities and risks

SOFTGARDEN is exposed to a number of risks. This includes normal business risks, general economic risks, tax and financial risks. In the 2019 financial year, the risk profile changed primarily due to the further expansion of the internationalization of the business beyond the DACH economic area.

SOFTGARDEN was able to increase incoming orders and sales in 2019. The software area in particular developed continuously and very positively, while the business in the multiposting area lost some of its growth momentum, but was still able to grow significantly in double digits.

In the short and medium term, there will continue to be a high demand for recruiting services in Germany due to demographics, even if companies do not grow as quickly. The Corona crisis, which has been going on since mid-March 2020, has not fundamentally changed that.

Although customers temporarily placed significantly fewer media products between March 2020 and May 2020, business recovered very quickly and reached new highs in all business areas in the first three months of 2021 despite the lockdown and the third wave of corona.

In the long term, SOFTGARDEN opens up additional business potential through the expansion of international business. The capital resources, in particular through the payments into the capital reserve in March 2020 and October 2020, enable the organic 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.

financial risks

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

SOFTGARDEN mainly does business that is concluded in euros. In the 2019 financial year, SOFTGARDEN did not use any transactions to hedge currency risks.

Employees

SOFTGARDEN succeeds, mainly supported by the use of its own software products, in hiring qualified employees, integrating them and binding them to the company in the long term. The turnover rate is low. The remuneration structure includes performance- and result-oriented components.

Future Risks

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 through new products and the further optimization of the functions provided. In the medium and long term, additional risks arise from internationalization.

Growth in the DACH region could be dampened by economic developments. This means that SOFTGARDEN will continue to be dependent on economic developments, especially in Germany, when it comes to achieving its growth targets.

forecast report

Global economic growth of 8.6% is forecast for the 2020 financial year (Statista, 2020) ⁴. The gross domestic product of the Federal Republic is expected to increase by 3.2% in the same period. Overall, economic development in the EU is forecast to grow by 3.7% (Statista, 2020) ⁵.

The software market for personnel management has great potential. Currently, almost 30% of companies do not use any special software, but rather use manual methods such as spreadsheets (user study on HR trends at www.capterra.de). ⁶ In addition, 62% of the companies surveyed would prefer a solution from Germany to be sure that the GDPR is taken into account. ⁷ Softgarden wants to use this potential for future sales and earnings increases.

After a 2019 financial year, which was characterized by a sharp increase in incoming orders, SOFTGARDEN started 2020 with a good order situation and a further renewed and expanded product base.

The trend towards further digitization of business processes in recruiting continued in 2019 and was further intensified by the corona pandemic in 2020 and 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.

In addition, SOFTGARDEN can open up further market potential through the internationalization of the business and thus significantly expand the installed base in the long term.

A significant increase in sales was expected for 2020. In 2020, sales growth was impaired by the corona pandemic, so that only a negative annual result could be achieved. Against the background of the expected development, significantly higher sales and, due to the continued expansion of employee capacities and the management of the Corona crisis, a significantly poorer result compared to 2019 is expected for the 2021 financial year. The increased expenses for the internationalization of the business planned for 2021 will mean that a negative result is expected again despite the significant growth in sales. The first customers in the new markets of Poland and Spain were won at the end of 2020. The year 2021 will also be characterized by strong growth in the DACH market and the organic expansion of internationalization.

⁴ <https://de.statista.com/statistics/daten/studie/159798/umfrage/entwicklung-des-bip- gross domestic product-worldwide/#professional>

⁵ Statista: European Union: Forecast for Growth of the real gross domestic product (GDP) in the member states from 2019 to ²⁰²² change-necessary ⁷ <https://www.capterra.com.de/blog/574/userstudy-hr-trends-2019-skilled-worker-lack-makes-digital-change-necessary>

For 2022, the further expansion of international business and continued growth in the DACH market is expected to result in a clearly positive result, depending on the extent of the internationalization efforts and the speed at which customers are acquired in the new markets.

The capital increases of the shareholder in the amount of €3.0 million in March 2020 and €1.1 million in October 2020 cover the capital requirements necessary for the further development of the company.

Berlin, June 03, 2021

Mathias Heese, Managing Director

Stefan Heinz Schueffler, Managing Director

APPENDIX for the 2019 financial year

I. General information

The annual financial statements of softgarden e-recruiting GmbH were prepared on the basis of the accounting regulations of the German Commercial Code.

In addition to these regulations, the regulations of the GmbH law had to be observed.

Details that can be made either in the balance sheet, in the profit and loss account or in the appendix are listed in their entirety in the appendix.

The nature of expense method was chosen for the income statement.

According to the size classes specified in § 267 HGB, the company is a medium-sized corporation.

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.

The negative macroeconomic effects and official measures caused by the corona virus have also had an impact on softgarden e-recruiting GmbH.

The capital increases of the shareholder in the amount of €3.0 million in March 2020 and €1.1 million in October 2020 cover the capital requirements necessary for the further development of the company. On this basis, the management has drawn up a positive continuation prognosis. The annual financial statements were prepared under the going concern premise.

II. Accounting and valuation principles

In the financial year, the accounting and valuation methods used to prepare the annual financial statements remained unchanged compared to the previous year.

Purchased and self-created intangible assets were recognized at acquisition or production cost and, if they were subject to wear and tear, amortized on a straight-line basis and pro rata temporis according to the expected useful life. Acquired intangible assets whose use is not limited in time were not amortized. Interest on borrowed capital is not included in the production costs.

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

Assets with an acquisition value of less than €800 were written off in full in the financial year, as in the previous year.

Unscheduled depreciation is carried out if a lower fair value is required in the case of a probable permanent reduction in value.

In the case of financial assets, the shares were recognized at the lower of cost or fair value.

Inventories are stated at acquisition cost. If the daily values on the balance sheet date were lower, they were used.

Receivables and other assets are stated at nominal 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.

Equity was stated at nominal value.

The other provisions take sufficient account of all risks and contingent liabilities that were identifiable up to the time the balance sheet was prepared. They cover obligations that are identifiable in principle, but the final amount has not yet been determined. 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 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. The lower of cost or market principle was observed in the valuation on the balance sheet date if the remaining term of the receivables or liabilities is more than one year.

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.

III. Notes on the Balance Sheet and Profit and Loss Account

Capital assets

The development of the individual items of the fixed assets is shown in the statement of changes in fixed assets, stating the depreciation for the financial year.

Development costs for internally generated intangible assets were capitalized in 2019 in the amount of €1,607,577.78 (previous year: €862,677.48). In total, research and development costs of €2,317,739.35 (previous year: €1,438,361.21) were incurred in the financial year.

Shareholding information

	currency	participation	Equity capital	Result
		%	in kEUR	in kEUR
Domestic BVZ Personal GmbH, Cologne	EUR	12%	31 ¹	61

¹ Latest published financial statements December 31, 2012

In the year under review, an unscheduled write-down of €3,000.00 was recorded for BVZ Personal GmbH, Cologne, due to an expected permanent impairment.

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. The valuation is based on purchase prices.

Receivables and other assets

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

Other assets with a remaining term of more than one year amount to € 161,709.96 (previous year € 78,757.92). 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 € 2,655,341.89 in accordance with Section 268 (8) HGB.

Other provisions

Other provisions break down as follows:

	fiscal year	Previous year
staff	696,483.13	589,079.76
Annual Accounts and Audit Expenses	92,650.00	62,820.00
retention requirements	6,000.00	23,600.00
warranty	0.00	8,700.00
Miscellaneous	583,851.26	371,605.61
total	1,378,984.39	1,055,805.37

liabilities

As in the previous year, there are no liabilities with a remaining term of more than five years. All liabilities are unsecured.

As in the previous year, all liabilities and the advance payments received on orders have a remaining term of up to one year.

Other company income

The income relating to other periods in the amount of € 131,481.53 (previous year: € 117,040.87) essentially relates to income from the reversal of provisions (€ 98,015.11; previous year: € 106,603.73).

Other operating expenses

Expenses relating to other periods amount to €120,483.72 (previous year: €29,849.90) and mainly relate to trade fair and year-end closing costs.

The other operating expenses include extraordinary expenses in the amount of € 93,916.69. These relate to expenses in connection with M&A activities that took place in 2019.

IV. Other mandatory 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 € 2,513,100.49. The rental and leasing contracts end between 2023 and 2024.

Other financial obligations that only legally arise after the balance sheet date amount to 71,404.34. The leases end in 2023.

Off-Balance Sheet Transactions

The Company has operating leases and leases for office space. The advantage of these off-balance sheet transactions is that the liquid funds are not tied up in the purchase of fixed assets. There are no significant risks from these transactions.

Managing directors

The following are or were appointed as managing directors of the company:

- Stefan Heinz Schueffler, Managing Director
- Mathias Heese, Managing Director

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

Employees

An average of 98 people were employed in the financial year.

Appropriation of earnings

Management proposes to the shareholders' meeting that the annual loss of €539,465.44 be carried forward to the loss carried forward.

corporate relationships

A consolidated financial statement for the smallest and largest group is prepared by Investcorp BSC, Manama/Kingdom of Bahrain, and published on the company's website.

follow-up report

After the balance sheet date, with the exception of the capital increases of €3.0 million in March 2020 and €1.1 million in October 2020, no further events of particular importance occurred that have significant financial effects.

Berlin, June 03, 2021

Stefan Heinz Schueffler, Managing Director

Mathias Heese, Managing Director

Ballot paper for the shareholders' resolution in circulation procedure**of softgarden e-recruiting GmbH****submitted by email to the shareholders on June 16, 2021**

Overview of the decisions

1st topic: Approval of the audited annual accounts for 2019

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

3. Topic: Appropriation of net income for 2019

4. Signature

This ballot has a total of 3 pages excluding the appendix.

If necessary, please note the other attachments of the e-mail

After completion of the circulation procedure, the management will inform all shareholders in writing about the result.

1st topic: Approval of the audited annual accounts for 2019

The 2019 annual financial statements of softgarden e-recruiting GmbH, certified by Ernst & Young 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 2019 financial year.

I agree: I do not agree: I am abstaining: **3. Topic: Appropriation of net income for 2019**

Resolution: The annual deficit of EUR 539,465.44 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.

Signature (and first and last name of the signer in block capitals for companies)**Date 6/16/21****Spoonbill GmbH
(Commercial Register District Court Charlottenburg HRB 197698 B)**
