

Registration number: 10084917

Job And Talent Holding Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2020

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Job And Talent Holding Limited

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Job And Talent Holding Limited

Company Information

| | |
|--------------------------|---|
| Directors | J Urdiales Sanchez-Robles |
| | F Navio Garcia |
| | N Wass |
| | J L Mendoza |
| | A Doeh |
| | N J Marovac |
| | G Santamaria |
| Company secretary | E Peers |
| | Bird & Bird Company Secretaries Limited |
| Registered office | 12 New Fetter Lane |
| | London |
| | EC4A 1JP |
| | United Kingdom |
| Auditor | Bourner Bullock |
| | Chartered Accountants |
| | Sovereign House |
| | 212 - 224 Shaftesbury Avenue |
| | London |
| | WC2H 8HQ |
| | United Kingdom |

Job And Talent Holding Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020. This report has been prepared for Job and Talent Holding Limited (the Group) as a whole and therefore gives a greater emphasis to those matters which are significant to Job and Talent Holding Limited and its subsidiary undertakings when viewed as a whole.

Fair review of the business

The financial year 2020 has shown a continuation of the rapid growth trajectory experienced in the previous years. The Group is leveraging its technology platform which allows companies to hire quality workers faster and with more flexibility, and for workers to have the potential to get access to improved job positions with an expectation of potentially higher job security. This has resulted in a high growth of business with existing as well as new customers.

Job and Talent Holding Ltd is the parent company of the Jobandtalent Group. The primary activity of the Group is the management of a market leading Job Platform in Europe and Latin America.

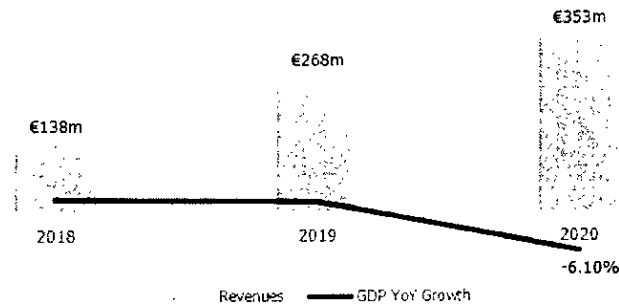
The Group's mission is to address the structural negative outcomes in today's employment markets that are currently affecting more than 500 million temporary workers globally, exacerbated by the exceptionally low level of engagement between the two sides of the market. In particular, Job and Talent's platform addresses both the slow and expensive recruitment process that companies face whilst managing their workforce dynamically as well as the increasingly vulnerable and precarious situation of the workers.

In the financial year 2020, our business operations focused on enhancing the experience on both sides of our marketplace: companies hiring quality blue collar workers faster and with more flexibility and workers having the potential to get access to improved job positions with an expectation of potentially higher job security.

This effort resulted in strengthened network effects, driven by strong engagement levels on both sides of the marketplace, and a continuation of the growth trajectory experienced in the previous years even in a year of substantial macroeconomic volatility due to the Covid pandemic. Revenues have grown 31.6% year on year thanks to the traction gained by our Job Platform through both organic growth and acquisitions. Most relevantly this growth has been achieved whilst improving profitability (with *Underlying Gross Margin* up 1.23%) and reaching *Recurring EBITDA* breakeven.

Job And Talent Holding Limited

Strategic Report for the Year Ended 31 December 2020



The Group has kept investing in its worker-centric marketplace resulting in enhanced employment and reemployment opportunities for blue collar workers in Europe and Latin America and improved satisfaction levels for workers and customers alike.

Job And Talent Holding Limited

Strategic Report for the Year Ended 31 December 2020

With 805 (2019: 683) clients and 79,349 (2019: 60,221) active workers on the platform in the year, the Group has a proven track record of offering a viable solution for the current labour market dynamics and responds to an increasing demand of workers left behind in a potentially more challenging job security situation by the current economic environment.

Our contribution to United Nations' Sustainable Development Goal 8: Decent work and economic growth

SDG 8 seeks to promote inclusive and sustainable economic growth as well as employment and decent work for all. It is also necessary to promote policies that support productive activities and the creation of decent jobs, entrepreneurship and innovation.

The value created at the global level by Jobandtalent strategy and business model over time translates into economic and social development:

- Jobandtalent backs training and the development of talent: in 2020, the group achieved more than 600,000 hours of training to the workers and around 5,500 hours of training to the internal personnel.
- The group offers a safe and healthy working environment, encouraging a good work/family life balance for our employees and implement a number of measures to support their quality of life.
- The Group has accrued contributions for indirect taxes and social security a total of approximately 136 million euros in 2020 (106 million in 2019)¹

Performance during the fiscal year

During the year 2020, the Group has increased its turnover with respect to 2019, reaching €352.9m during the year (2019: €268.1m). This growth has been driven by both an increase of repeat business with its existing customer base as well as additional customers leveraging the Group's platform for their employment needs (acquired through both organic sales as well as acquisitions).

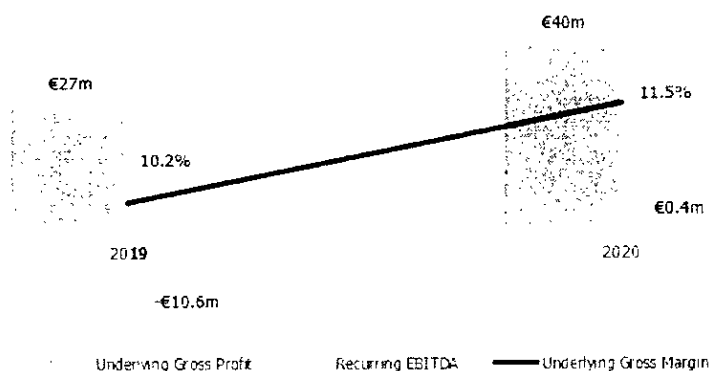
Consequently, the *Underlying Gross Profit* has significantly increased from €27.58m to €40.65m in 2020, driven by an improvement in both revenues and marginality. The Group has been able to significantly scale operations along with a healthy *Underlying Gross Margin* of 11.52% in 2020 (up 1.23% vs 2019). In addition, the Group has made substantial investments in technology and internal resources to support even further its operational scalability and the planned growth for the next 5 years.

¹ Calculated as contributions to social security (see Note 14.1) plus the amount of value added tax calculated by applying an average tax rate (20%) on the Net Amount of the Group's Turnover.

Job And Talent Holding Limited

Strategic Report for the Year Ended 31 December 2020

| | 2020 | 2019 |
|--------------------------------|-------------------|-------------------|
| | € | € |
| Turnover | 352,879,165 | 268,106,503 |
| Cost of sales ² | (315,080,699) | (240,852,893) |
| Other income ³ | 1,702,248 | 22,519 |
| FX Movements ⁴ | 1,148,867 | 300,562 |
| Underlying Gross Profit | 40,649,581 | 27,576,691 |
| Underlying Gross Margin | 11.52% | 10.29% |



The profit and loss in 2020 show that the Group has reached a positive *Recurring EBITDA* for the full year 2020, which represents a significant achievement taking into account that the Group has continued its Revenue growth trajectory.

² Excluding exceptional Covid costs included in Cost of Sales.

³ Excluding the exceptional Covid income included in Other Income.

⁴ Impact of FX movement within 2020.

Job And Talent Holding Limited

Strategic Report for the Year Ended 31 December 2020

| | 2020 | 2019 |
|---|----------------|---------------------|
| | € | € |
| Operating loss | (15,440,924) | (26,166,428) |
| Other financial cost ⁵ | 2,822,543 | 3,796,893 |
| Depreciation, amortisation and impairment expense | 9,206,035 | 4,533,277 |
| Non-recurring cost ⁶ | 3,871,163 | 5,458,433 |
| Recurring EBITDA | 458,817 | (10,637,825) |

Such growth has been complemented by a strong balance sheet strengthening (with cash, cash equivalents and investments up to €102.0m and total equity of up to €103.1m in the year). These results have been achieved by both improvements in funding lines as well as a capital increase. The net result is an improvement in both equity ratio, quick ratio and working capital position. Such results were further strengthened by the further fundraising done in the first quarter of 2021.

| | 2019 | 2020 |
|-----------------|--------|--------|
| Equity ratio | 22% | 38% |
| Quick ratio | 101% | 142% |
| Working capital | €2,98m | €66,4m |

⁵ Excluding the financial costs included in OPEX, banking cost and other financial expenses.

⁶ Excluding M&A restructuring cost, Holding expenses and other exceptional cost.

Job And Talent Holding Limited

Strategic Report for the Year Ended 31 December 2020

The Group's key financial and other performance indicators, as explained on the previous page, during the year were as follows:

- Revenue grew to €352.9m in 2020 from €268.1m in 2019.
- Adjusted Gross Profit increased to €40.65m in 2020, from €27.58m in 2019.
- Adjusted Gross Margin increased to 11.52% in 2020, from 10.29% in 2019.
- Recurring EBITDA increased to €0.46m in 2020, from -€10.64m in 2019.
- Cash , cash equivalents and investments increased to €102.0m in 2020, from €38.2m in 2019.
- Net Equity increased to €103m in 2020, from €36.9m in 2019, mainly associated with the financing round of approximately €88m.
- In 2020, the Group had 79,349 workers in temporary placements (2019: 60,211) reflecting the larger scale of the business. Permanent employees grew less proportionally than the business from 743 in December 2019 to 904 in December 2020 reflecting the leaner operating model of the Group.
- In 2020 the Group served 805 client companies (2019: 683), reflecting the larger scale of the business.

Principal risks and uncertainties

New competitors are entering the market and there is increased activity from existing competitors.

Jobandtalent has developed a unique job platform to structurally improve the outcome of both its clients and workers, achieving superior customer and worker satisfaction levels. Such levels, together with the continuous development of its technology platform, represent the main protection against appearance of new competitors.

Changes to regulation or legislation could impact the Group

The Group closely monitors all relevant regulation and legislation to ensure that potentially adverse changes are identified early in the process and action is taken to mitigate any impact.

The Group is dependent on technology in order to operate in the market

The Group has invested in building a dedicated and highly skilled engineering team with the objective of building innovative and world class technology to give candidates and employers an enhanced user experience.

Job And Talent Holding Limited

Strategic Report for the Year Ended 31 December 2020

Future Developments

Future developments are considered within the Directors' Report.

Section 172(1) Statement

The board of directors of Job and Talent Holding Limited (Jobandtalent) consider, both individually and together, that they have acted in the way they consider, in good faith, to promote the success of the company for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2020.

Long term strategy/business plan

Jobandtalent has kept investing in its marketplace throughout 2020, both in terms of technology as well as onboarding new candidates and clients. This investment is expected to continue in the next years to improve the depth and liquidity of our talent pool and drive the long-term satisfaction and success of our candidates and clients.

Building relationships with Stakeholders

Jobandtalent's stakeholders are its candidates, clients, suppliers, employees, shareholders, lenders. The Board develops and encourages long-term relationships with them. We believe that by delivering a superior service to our candidates and clients we ensure long term relationships that will drive the success of all stakeholders.

Engaging with our employees

Our employees are fundamental to the delivery of our vision, mission, strategic and financial promises to our stakeholders. Our mission as a business is to provide a sense of purpose and fulfilment for those people we employ and help them build a better and rewarding professional career.

Engaging with the company's suppliers, and customers

We ensure engagement with real-time feedback to our suppliers and customers.

Jobandtalent has, both locally and globally, different policies to ensure comparability, materiality, relevance and reliability.

The Board of Directors of the Group has regular meetings and briefings with our investors, funders and analysts in order to explain the Company's strategy, progress and plans, and to share how we are addressing any market challenges, such as this year's COVID19 pandemic.

Job And Talent Holding Limited

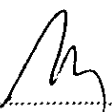
Strategic Report for the Year Ended 31 December 2020

Our impact on the community and the environment

As the Board of Directors, we take into account the operational impact of Jobandtalent on the communities in which we operate and the environment. We support our communities by allowing candidates to find better work opportunities and allowing companies to find higher quality candidates more quickly and efficiently. Thanks to our technology we can deliver the above improvements with a substantially lower environmental impact (ensuring a completely digital process for both clients and candidates).

Greenhouse gas emissions are considered within the Directors' Report.

Approved by the Board on 24/9/21 and signed on its behalf by:


.....
J Urdiales Sanchez-Robles
Director

Job And Talent Holding Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Directors of the group

The directors who held office during the year were as follows:

J Urdiales Sanchez-Robles

J Torremocha (ceased 9 March 2021)

F Navio García

N Wass

J L Mendoza

G Santamaria (appointed 28 December 2020)

The following directors were appointed after the year end:

A Doeh (appointed 9 March 2021)

N J Marovac (appointed 9 March 2021)

Dividends

The directors have not proposed a dividend for the year ended 31 December 2020 (2019: €Nil).

Price risk, credit risk, liquidity risk and cash flow risk:

The Group's activities are exposed to different types of financial risks, mainly highlighting credit, liquidity risks and market risks (exchange rate, interest rate, and other price risks).

Credit risk

The Group's main financial assets are cash balances in hand, commercial receivables and other accounts receivable, and investments which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is mainly attributable to its commercial debts. The amounts are reflected in the consolidated statement of financial position net of allowances for doubtful receivables, estimated by the Group's Management based on the experience of previous years and its assessment of the current economic environment.

The Group does not have a significant concentration of credit risk, the exposure being distributed among a large number of counterparties and customers.

Job And Talent Holding Limited

Directors' Report for the Year Ended 31 December 2020

Price risk, credit risk, liquidity risk and cash flow risk (continued)

Liquidity risk

The Group is not significantly exposed to liquidity risk, due to the maintenance of sufficient cash and credit availability to fund the necessary outflows in its normal operations. In the case of a specific need for financing, the Group uses loans and credit facilities. Additionally, the Group has financial support from the shareholders to meet its commercial obligations and carry out the business plan drawn up by the Management.

The general situation of the financial markets, especially the banking market, has been particularly unfavourable for borrowers. However, the Group has a strong network of potential investors who are committed to the future of the business should the need for additional finance arise.

Exchange rate risk

Whilst the Group transacts in foreign currencies, it is not exposed to a significant exchange rate risk for consolidated purposes, therefore it does not carry out operations with hedging financial instruments, although the Financial Department studies the different possibilities in this regard.

Corporate governance

Under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the company is not required to apply a corporate governance code. No corporate governance code has therefore been applied for the financial year. The Board consider corporate governance issues at group level and apply relevant policies as deemed necessary, which are detailed in the Directors' and Strategic reports.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Environmental matters

Given the footprint and activities of the Group are deemed to have little direct environmental impact, the Group does not have assets, nor has it incurred expenses aimed at minimising the environmental impact and protecting and improving the environment. Likewise, there are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

Job And Talent Holding Limited

Directors' Report for the Year Ended 31 December 2020

Greenhouse gas emissions

The company and no individual subsidiary has consumed more than 40,000kWh of energy in the year and the group has taken the exemption not to disclose information regarding greenhouse gas emissions in accordance with Part 7A of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Future developments

The Directors expect the general level of activity to increase over the forthcoming year. This is as result of ongoing investments into key targets markets and through investments in improving the "jobandtalent" platform by means of incorporating new features which will help the Group to be more competitive.

The support provided by the funding facilities as well as capital increase will continue to support the business as it keeps growing over the next years. This has resulted in strongly capitalising the Group for its current growth phase (also considering that in its mature countries the Group is already profitable, and the Group has reached a positive EBITDA in June-20). In 2020 the Group has secured significant new contracts for the provision of workers for companies in the financial sector and new world leading transport operators for both people and merchandise and expects to continue to expand rapidly.

The Group has made substantial investments in technology and internal resources to support even further its operational scalability and the planned growth for the next 5 years. In 2020, the largest working capital facility has been renewed and increased and new financing has been closed for approximately €18m which will allow continued rapid expansion of the Group in 2020 and 2021. The Group also improved its net cash generation by operations as it continues to move through the growth stage of the lifecycle.

Research and development

The Group continues to make significant investments in its technology platform (2020: €5.8m; 2019: €3.1m,) and expects to continue doing so in the next years to further extend its technological leadership.

Risks connected to COVID-19 situation:

Since the beginning of the health crisis, the Group has been implementing measures focused both on the safety of its employees, its customers and suppliers, as well as on the maintenance and increase of its operational activity, having been capable of, with the premise of health security, maintaining operational levels in practically all the geographies where it operates. In this sense, until the current date, the pandemic has not caused a reduction in operating income greater than that initially estimated considering the COVID crisis, with sales produced to date being higher than those estimated in the projections prepared by the Management by taking into consideration the impact of the health crisis. Likewise, the growth of the Group's organic business, as well as the acquisitions that took place in 2019, make 2020 a year with significantly higher sales volume than the previous one.

Job And Talent Holding Limited

Directors' Report for the Year Ended 31 December 2020

Directors' liabilities

Throughout the financial year and as at the date of the approval of these financial statements, the Group maintained qualifying third-party indemnity insurance on behalf of the directors in the group.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 24/9/21 and signed on its behalf by:



.....
J Urdiales Sanchez-Robles
Director

Job And Talent Holding Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Job And Talent Holding Limited

Independent Auditor's Report to the Members of Job And Talent Holding Limited

Opinion

We have audited the financial statements of Job And Talent Holding Limited (the 'parent Company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Loss, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent Company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Job And Talent Holding Limited

Independent Auditor's Report to the Members of Job And Talent Holding Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Job And Talent Holding Limited

Independent Auditor's Report to the Members of Job And Talent Holding Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Job And Talent Holding Limited

Independent Auditor's Report to the Members of Job And Talent Holding Limited

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting regulations, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include employment law.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

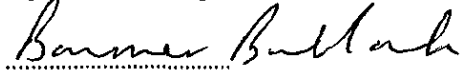
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Job And Talent Holding Limited

Independent Auditor's Report to the Members of Job And Talent Holding Limited

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Wheeler (Senior Statutory Auditor)

For and on behalf of Bournier Bullock, Statutory Auditor

Sovereign House
212 - 224 Shaftesbury Avenue
London
WC2H 8HQ
United Kingdom

Date: 24/9/21

Job And Talent Holding Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2020

| | Note | 2020 € | 2019 € |
|--|------|----------------------|----------------------|
| Turnover | 4 | 352,879,165 | 268,106,503 |
| Cost of sales | | <u>(315,801,283)</u> | <u>(240,852,893)</u> |
| Gross profit | | 37,077,882 | 27,253,610 |
| Administrative expenses | | (56,507,631) | (53,442,557) |
| Other operating income | 5 | <u>3,947,639</u> | <u>22,519</u> |
| Operating loss | 6 | <u>(15,482,110)</u> | <u>(26,166,428)</u> |
| Other interest receivable and similar income | 7 | 38,443 | 346,552 |
| Interest payable and similar expenses | 8 | <u>(6,080,292)</u> | <u>(8,039,030)</u> |
| | | <u>(6,041,849)</u> | <u>(7,692,478)</u> |
| Loss before tax | | (21,523,959) | (33,858,906) |
| Tax on loss | 12 | <u>198,502</u> | <u>(1,917,469)</u> |
| Loss for the financial year | | <u>(21,325,457)</u> | <u>(35,776,375)</u> |
| Profit/(loss) attributable to: | | | |
| Owners of the company | | <u>(21,325,457)</u> | <u>(35,776,375)</u> |

The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

Consolidated Statement of Comprehensive Loss for the Year Ended 31 December 2020

| | 2020 € | 2019 € |
|--|---------------------|---------------------|
| Loss for the year | (21,325,457) | (35,776,375) |
| Foreign currency translation gains/(losses) | <u>(986,140)</u> | <u>(92,698)</u> |
| Total comprehensive loss for the year | <u>(22,311,597)</u> | <u>(35,869,073)</u> |
| Total comprehensive loss attributable to: | | |
| Owners of the company | <u>(22,311,597)</u> | <u>(35,869,073)</u> |

All results derive from continuing operations.

The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

(Registration number: 10084917)

Consolidated Balance Sheet as at 31 December 2020

| | Note | 2020 € | 2019 € |
|--|------|----------------------|----------------------|
| Fixed assets | | | |
| Intangible assets | 14 | 46,189,682 | 33,058,172 |
| Tangible assets | 15 | 1,555,174 | 1,498,622 |
| Other financial assets | 19 | 1,188,680 | 721,134 |
| | | <u>48,933,536</u> | <u>35,277,928</u> |
| Current assets | | | |
| Debtors | 18 | 113,240,202 | 90,810,720 |
| Investments | 19 | 13,661,264 | 16,292,258 |
| Cash at bank and in hand | 20 | 88,302,850 | 21,880,954 |
| | | <u>215,204,316</u> | <u>128,983,932</u> |
| Creditors: Amounts falling due within one year | 21 | <u>(147,348,599)</u> | <u>(113,924,679)</u> |
| Net current assets | | <u>67,855,717</u> | <u>15,059,253</u> |
| Total assets less current liabilities | | 116,789,253 | 50,337,181 |
| Creditors: Amounts falling due after more than one year | 21 | (11,321,301) | (11,551,793) |
| Provisions for liabilities | 23 | <u>(2,333,866)</u> | <u>(1,874,733)</u> |
| Net assets | | <u>103,134,086</u> | <u>36,910,655</u> |
| Capital and reserves | | | |
| Called up share capital | 24 | 39,790 | 29,550 |
| Share premium account | 25 | 181,564,701 | 93,044,024 |
| Capital redemption reserve | 25 | 2,455,243 | 2,455,243 |
| Foreign currency translation reserve | 25 | 257,089 | 1,243,229 |
| Merger reserve | 25 | 36,618,774 | 36,618,774 |
| Other reserves | 25 | (740,000) | (740,000) |
| Share based payment reserve | 25 | 4,111 | - |
| Profit and loss account | 25 | <u>(117,065,622)</u> | <u>(95,740,165)</u> |
| Equity attributable to owners of the company | | <u>103,134,086</u> | <u>36,910,655</u> |
| Total equity | | <u>103,134,086</u> | <u>36,910,655</u> |

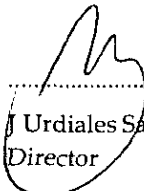
The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

(Registration number: 10084917)

Consolidated Balance Sheet as at 31 December 2020

Approved and authorised by the Board on 24/9/21 and signed on its behalf by:


.....
J Urdiales Sanchez-Robles
Director

The notes on pages 30 to 71 form an integral part of these financial statements.

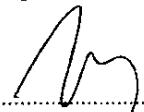
Job And Talent Holding Limited
(Registration number: 10084917)
Balance Sheet as at 31 December 2020

| | Note | 2020 € | 2019 € |
|--|------|---------------------|---------------------|
| Fixed assets | | | |
| Investments | 16 | 118,033,711 | 93,029,600 |
| Current assets | | | |
| Debtors: Amounts due after more than one year | 18 | 44,099,893 | 36,197,853 |
| Debtors: Amounts due within one year | 18 | 34,101 | 2,080,333 |
| Cash at bank and in hand | 20 | 67,416,284 | 11,089,288 |
| | | 111,550,278 | 49,367,474 |
| Creditors: Amounts falling due within one year | 21 | <u>(20,473,649)</u> | <u>(10,593,286)</u> |
| Net current assets | | <u>91,076,629</u> | <u>38,774,188</u> |
| Total assets less current liabilities | | 209,110,340 | 131,803,788 |
| Creditors: Amounts falling due after more than one year | 21 | <u>-</u> | <u>(8,849,156)</u> |
| Net assets | | <u>209,110,340</u> | <u>122,954,632</u> |
| Capital and reserves | | | |
| Called up share capital | 24 | 39,790 | 29,550 |
| Share premium account | 25 | 181,564,701 | 93,044,024 |
| Other reserves | 25 | 36,618,774 | 36,618,774 |
| Share based payment reserve | 25 | 4,111 | - |
| Profit and loss account | 25 | <u>(9,117,036)</u> | <u>(6,737,716)</u> |
| Total equity | | <u>209,110,340</u> | <u>122,954,632</u> |

For the financial year ending 31 December 2020, the company has taken exemption from presenting its individual Profit and Loss Account under section 408 of the Companies Act 2006.

The company made a loss after tax for the financial year of €2,379,320 (2019 - loss of €8,757,966).

Approved and authorised by the Board on 24/9/21 and signed on its behalf by:



 J Urdiales Sanchez-Robles
 Director

The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020
Equity attributable to the parent company

| | Share capital € | Share premium € | Capital redemption reserve € | Foreign currency translation € | Share based payment reserve € | Merger reserve € | Other reserves € | Profit and loss account € | Total equity € |
|---|--------------------|--------------------|---------------------------------|-----------------------------------|----------------------------------|---------------------|---------------------|------------------------------|-------------------|
| At 1 January 2020 | 29,550 | 93,044,024 | 2,455,243 | 1,243,229 | - | 36,618,774 | (740,000) | (95,740,165) | 36,910,655 |
| Loss for the year | - | - | - | - | - | - | - | (21,325,457) | (21,325,457) |
| Other comprehensive income | - | - | - | (986,140) | - | - | - | - | (986,140) |
| Total comprehensive income | - | - | - | (986,140) | - | - | - | (21,325,457) | (22,311,597) |
| New share capital subscribed | 10,240 | 88,520,677 | - | - | - | - | - | - | 88,530,917 |
| Equity portion of convertible debt issued in the year | - | - | - | - | 4,111 | - | - | - | 4,111 |
| At 31 December 2020 | 39,790 | 181,564,701 | 2,455,243 | 257,089 | 4,111 | 36,618,774 | (740,000) | (117,065,622) | 103,134,086 |

The notes on pages 30 to 71 form an integral part of these financial statements.
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Job And Talent Holding Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019
Equity attributable to the parent company

| | Share capital € | Share premium € | Capital redemption reserve € | Foreign currency translation € | Merger reserve € | Other reserves € | Profit and loss account € | Total equity € |
|------------------------------|--------------------|--------------------|---------------------------------|-----------------------------------|---------------------|---------------------|------------------------------|-------------------|
| At 1 January 2019 | 15,842 | 17,998,979 | 2,455,243 | 1,335,927 | 36,618,774 | 3,359,842 | (64,063,632) | (2,279,025) |
| Loss for the year | - | - | - | - | - | - | (35,776,375) | (35,776,375) |
| Other comprehensive income | - | - | - | (92,698) | - | - | - | (92,698) |
| Total comprehensive income | - | - | - | (92,698) | - | - | (35,776,375) | (35,869,073) |
| New share capital subscribed | 13,708 | 75,045,045 | - | - | - | - | - | 75,058,753 |
| Transfers | - | - | - | - | - | (4,099,842) | 4,099,842 | - |
| At 31 December 2019 | 29,550 | 93,044,024 | 2,455,243 | 1,243,229 | 36,618,774 | (740,000) | (95,740,165) | 36,910,655 |

The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2020

| | Share capital € | Share premium € | Share Based Payment Reserve € | Merger reserve € | Profit and loss account € | Total € |
|---|--------------------|--------------------|--|------------------------|---------------------------------|-------------|
| At 1 January 2020 | 29,550 | 93,044,024 | - | 36,618,774 | (6,737,716) | 122,954,632 |
| Loss for the year | - | - | - | - | (2,379,320) | (2,379,320) |
| Total comprehensive income | - | - | - | - | (2,379,320) | (2,379,320) |
| New share capital subscribed | 10,240 | 88,520,677 | - | - | - | 88,530,917 |
| Equity portion of convertible debt issued in the year | - | - | 4,111 | - | - | 4,111 |
| At 31 December 2020 | 39,790 | 181,564,701 | 4,111 | 36,618,774 | (9,117,036) | 209,110,340 |

Company Statement of Changes in Equity for the Year Ended 31 December 2019

| | Share capital € | Share premium € | Merger reserve € | Other reserves € | Profit and loss account € | Total € |
|------------------------------|--------------------|--------------------|------------------------|---------------------|---------------------------------|-------------|
| At 1 January 2019 | 15,842 | 17,998,979 | 36,618,774 | 4,099,842 | (2,079,592) | 56,653,845 |
| Loss for the year | - | - | - | - | (8,757,966) | (8,757,966) |
| Total comprehensive income | - | - | - | - | (8,757,966) | (8,757,966) |
| New share capital subscribed | 13,708 | 75,045,045 | - | - | - | 75,058,753 |
| Transfers | - | - | - | (4,099,842) | 4,099,842 | - |
| At 31 December 2019 | 29,550 | 93,044,024 | 36,618,774 | - | (6,737,716) | 122,954,632 |

The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

| | Note | 2020 € | 2019 € |
|--|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (21,325,457) | (35,776,375) |
| Depreciation and amortisation | 6 | 6,469,530 | 4,428,124 |
| Loss on disposal of tangible assets | | - | 105,151 |
| Share based remuneration | | 4,111 | - |
| Finance income | | - | (346,552) |
| Finance costs | 8 | 6,080,290 | 8,039,030 |
| Income tax credit | 12 | (198,502) | 1,917,469 |
| Foreign exchange losses | | <u>(986,140)</u> | <u>(92,698)</u> |
| | | (9,956,168) | (21,725,851) |
| Working capital adjustments | | | |
| Increase in other financial assets | 19 | (467,546) | (276,981) |
| Increase in debtors | 18 | (22,030,828) | (47,399,220) |
| Increase in creditors | 21 | 11,597,048 | 35,649,919 |
| (Decrease)/increase in provisions | 23 | <u>(78,200)</u> | <u>25,157</u> |
| Cash generated from operations | | (20,935,694) | (33,726,976) |
| Income taxes received/(paid) | | <u>337,180</u> | <u>(732,916)</u> |
| Net outflow from operating activities | | <u>(20,598,514)</u> | <u>(34,459,892)</u> |
| Cash flows from investing activities | | | |
| Interest received | | - | 346,552 |
| Acquisitions of tangible assets | 15 | (576,228) | (1,365,427) |
| Expenditure on intangible assets | 14 | (19,081,363) | (23,203,403) |
| Change in other financial assets | 19 | <u>2,630,994</u> | <u>(12,996,199)</u> |
| Net outflows from investing activities | | <u>(17,026,597)</u> | <u>(37,218,477)</u> |
| Cash flows from financing activities | | | |
| Interest paid | 8 | (6,080,290) | (8,039,030) |
| Proceeds from issue of ordinary shares | 24 | 88,530,917 | 75,058,753 |
| Proceeds from loan financing less repayments | | <u>21,596,380</u> | <u>16,634,629</u> |
| Net cash flows from financing activities | | <u>104,047,007</u> | <u>83,654,352</u> |
| Net increase in cash and cash equivalents | | 66,421,896 | 11,975,983 |

The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

| | Note | 2020 € | 2019 € |
|--|------|-------------------|-------------------|
| Cash and cash equivalents at 1 January | | <u>21,880,954</u> | <u>9,904,971</u> |
| Cash and cash equivalents at 31 December | | <u>88,302,850</u> | <u>21,880,954</u> |

The notes on pages 30 to 71 form an integral part of these financial statements.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

12 New Fetter Lane
London
EC4A 1JP
United Kingdom

Principal activity

The principal activity of the group is operations in the temporary employment sector. This consists of the preparation and edition of relevant content for the job search, the design and development of web support to channel the relationship between employers and employees in the selection process of incorporation into employment and the planning and organisation of all types of events and specific initiatives that facilitate and enhance the performance of this purpose.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements which give a true and fair view, in which that member is consolidated. Job and Talent Holding Limited is a qualifying entity as it is consolidated in the Job and Talent Holding Limited Group accounts which are publicly available.

As a qualifying entity, the company has taken advantage of the exemption to not present a statement of cashflows for the parent entity.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2020.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Where acquisitions of subsidiaries meet the definition of a group reconstruction they are accounted for using the merger accounting method.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The assets and liabilities of the subsidiaries whose functional currency is different from the Euro have been converted into Euro using the exchange rates in effect at the closing date of the year and own funds at the historical exchange rate (the current exchange rate at the date of the first consolidation). The profit and loss accounts of these companies have been converted into Euro using the average exchange rates for the year. The global effect of the differences between these exchange rates is shown, *net of their tax effect, in the Statement of Changes in Equity under the heading 'Foreign currency reserve'.*

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Going concern

The financial statements have been prepared on a going concern basis. The group is in a period of expansion and the execution of the business plan has involved great efforts in personnel and structural costs and in the development of its technological platform, which meant that the group incurred losses. Despite losses being incurred, the Group has both positive working capital and equity as of 31 December 2020 benefitting from the completion a new round of financing in February 2021 with the attraction of new investors, which improves the plans for treasury, liquidity and solvency of the Group. Following a review of the Group's financial forecasts the Directors are confident that performance will improve year on year.

Although the current economic environment creates uncertainty, the Group's forecasts and projections, which include reasonably possible worst-case scenarios in performance and financing available reflecting the risks in performance and the risks and uncertainties to which the Group is exposed, show that the Group will be able to operate within the level of its facilities.

Consequently, the going concern principle has been adopted in preparing the annual report and financial statements.

Turnover recognition

Turnover is stated net of VAT and trade discounts and is measured by reference to the consideration received for the provision of recruitment services. Turnover is recognised over the contract period of the temporary employees or contractors. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

In the significant majority of situations the group acts as principal in any transactions under payrolling contracts in its recruitment process and therefore bears the risks and rewards of the transaction. For such transactions the turnover and associated costs are shown in the consolidated profit and loss. Where the group acts as agent, only the fees associated to the services provided by the group in capacity as agent are recognised as income.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Foreign currency transactions and balances

The functional currency used by the Group is Euro. Consequently, transactions in currencies other than euro are considered denominated in foreign currency and are recorded at the exchange rates in force at the dates of the transactions.

At year-end, monetary assets and liabilities denominated in foreign currency are converted by applying the exchange rate of the date of the statement of financial position. The realised profits or losses are allocated directly to the profit and loss account of the year in which they occur.

Non-monetary assets and liabilities whose valuation criterion is fair value and are denominated in foreign currency, are converted according to the rates in force on the date on which the fair value was determined.

The realised profits or losses are allocated to equity or profit and loss using the same criteria as the recording of changes in fair value.

Tax

The tax expense for the year comprises current tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Intangible assets

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is seven years. Provision is made for any impairment.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is seven years. Provision is made for any impairment.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| <i>Asset class</i> | <i>Amortisation method and rate</i> |
|--|-------------------------------------|
| Internally developed computer applications | 5 years straight line |
| Computer software | 5 years straight line |
| Goodwill | 7 years straight line |
| Customer databases | 7 years straight line |

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

The maintenance expenses incurred during the year are charged to the Consolidated Profit and Loss Account. The costs for renewal, expansion or improvement of property, plant and equipment, which represent an increase in capacity, productivity or an increased useful life, are capitalised as a higher value of the corresponding goods, once the accounting values have been written off of the elements that have been replaced.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

| <i>Asset class</i> | <i>Depreciation method and rate</i> |
|-----------------------------------|-------------------------------------|
| Furniture, fittings and equipment | 4-5 years straight line |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Investments

Investments in equity shares where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Any collection or payment that could be made when contracting an operational lease, will be treated as a prepayment or payment that will be allocated to the results over the period of the lease, as the benefits of the leased asset are ceded or received.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as pension expense, defined contribution scheme expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Employment benefit expense

Employment benefits include mandatory benefits payable in accordance with local legislation such as termination benefits, occupational risk and other welfare contributions as well as ex-gratia benefits on behalf of employees.

Share based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities:

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments:

Investments in non-derivative instruments that are equity of the issuer (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration.

Equity instruments:

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

Convertible loan notes:

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method. If those criteria are not met, the financial liability component is measured at fair value through profit or loss.

3 Judgements and key sources of estimation uncertainty

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

The useful life of intangible assets

The annual amortisation charge for intangible fixed assets is sensitive to changes in the useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually. Given the technological nature of the intangible assets changes in market conditions or advancements in similar research and development could materially affect the useful life of certain intangible assets. To identify if an impairment or change in useful life of an asset is needed requires estimates of future cashflows arising from such assets as well as appropriate discount rates in order to calculate the net present value of those cashflows.

Valuation of subsidiaries

The valuation of entities acquired requires the Company to estimate their value in use from estimated future cash flows before taxes. These are based on the most recent business plans approved by the Company's Directors. These plans incorporate the best available estimates of the income and costs of the different cash generating units based mainly on the results obtained at the date of the review and estimating an increase in activity similar or lower than that obtained during the year 2020. It also estimates an increase in sales margins as the business model is consolidated and market share is enhanced. These forecasts are then discounted using an appropriate discount rate to calculate the net present value.

Recovery of tax credits

The Group is subject to tax regimes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for corporation taxes and deferred taxes. As established by current legislation in Spain, taxes cannot be considered definitive until they have been inspected by the tax authorities or the statute of limitations of four years has expired.

A deferred tax asset has been recognised on the basis that management have determined that future profits are sufficient to utilise such losses within this time frame. In determining this the directors have developed a long term business plan which forecasts future income and expenditure. Such forecasts require estimates and assumptions to be made about future transactions, growth and profitability of the group.

Recoverability of debtors and amounts due from fellow group undertakings

The company makes an estimate of the recoverable value of its debtors and amounts due from fellow group undertakings. When carrying out the assessment directors consider factors including the ageing profile of debtors, historic experience and performance of the debtors' business.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

| | 2020 | 2019 |
|-----------------------|--------------------|--------------------|
| | € | € |
| Provision of services | <u>352,879,165</u> | <u>268,106,503</u> |

The analysis of the group's turnover for the year by market is as follows:

| | 2020 | 2019 |
|----------------|--------------------|--------------------|
| | € | € |
| UK | 49,244,651 | 25,183,538 |
| Rest of Europe | 226,576,358 | 179,578,214 |
| Rest of World | <u>77,058,156</u> | <u>63,344,751</u> |
| | <u>352,879,165</u> | <u>268,106,503</u> |

5 Other operating income

The analysis of the group's other operating income for the year is as follows:

| | 2020 | 2019 |
|---------------------------------|------------------|---------------|
| | € | € |
| Government Covid related grants | 2,286,224 | - |
| R&D scheme activities | <u>1,661,415</u> | <u>22,519</u> |
| | <u>3,947,639</u> | <u>22,519</u> |

During the year the company entered in to an agreement with third parties to accelerate and recover R&D credits.

6 Operating loss

Arrived at after charging:

| | 2020 | 2019 |
|---|-----------|--------------------|
| | € | € |
| Depreciation expense | 519,675 | 419,065 |
| Amortisation expense | 5,949,853 | 4,104,079 |
| Loss on disposal of property, plant and equipment | - | 10,133 |
| Exceptional (income)/expenses | <u>-</u> | <u>(1,124,123)</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

7 Other interest receivable and similar income

| | 2020 | 2019 |
|----------------------|---------------|----------------|
| | € | € |
| Other finance income | <u>38,443</u> | <u>346,552</u> |

8 Interest payable and similar expenses

| | 2020 | 2019 |
|---|------------------|------------------|
| | € | € |
| Interest on bank overdrafts and borrowings | 1,974,098 | 1,530,670 |
| Interest expense on other finance liabilities | 2,071,364 | 5,973,447 |
| Foreign exchange losses/(gains) | 2,034,830 | (290,225) |
| Impairments and losses on disposal of financial instruments | - | 825,138 |
| | <u>6,080,292</u> | <u>8,039,030</u> |

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

| | 2020 | 2019 |
|--|--------------------|--------------------|
| | € | € |
| Wages and salaries | 269,275,882 | 194,070,166 |
| Social security costs | 63,519,199 | 49,710,504 |
| Pension costs, defined contribution scheme | 216,075 | 199,383 |
| Redundancy costs | 175,044 | 166,048 |
| Employee benefits expense | 4,884,504 | 7,524,585 |
| | <u>338,070,704</u> | <u>251,670,686</u> |

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

| | 2020 | 2019 |
|----------------------------|---------------|---------------|
| | No. | No. |
| Administration and support | 801 | 460 |
| Other departments | <u>27,465</u> | <u>15,983</u> |
| | <u>28,266</u> | <u>16,443</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

10 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2020 | 2019 |
|--------------|----------------|----------------|
| | € | € |
| Remuneration | <u>433,296</u> | <u>400,477</u> |

During the year the number of directors who were receiving benefits and share incentives was as follows:

| | 2020 | 2019 |
|---|----------|----------|
| | No. | No. |
| Received or were entitled to receive shares under long term incentive schemes | <u>2</u> | <u>2</u> |

In respect of the highest paid director:

| | 2020 | 2019 |
|--------------|----------------|----------------|
| | € | € |
| Remuneration | <u>223,296</u> | <u>159,000</u> |

During the year the highest paid director received or was entitled to receive shares under a long term incentive scheme.

11 Auditor's remuneration

| | 2020 | 2019 |
|--|----------------|----------------|
| | € | € |
| Audit of these financial statements | 44,982 | 47,270 |
| Audit of the financial statements of subsidiaries of the company pursuant to legislation | <u>130,449</u> | <u>86,093</u> |
| | <u>175,431</u> | <u>133,363</u> |

Other fees to auditors

| | | |
|------------------------------|---------------|---------------|
| Taxation compliance services | 11,527 | 7,671 |
| All other non-audit services | <u>50,043</u> | <u>35,996</u> |
| | <u>61,570</u> | <u>43,667</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

| | 2020 | 2019 |
|--|-------------|-------------|
| | € | € |
| Fee's paid to other auditors: | | |
| Audit of the financial statements of subsidiaries of the company pursuant to legislation | 657,474 | 449,800 |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Taxation

Tax charged/(credited) in the income statement

| | 2020 | 2019 |
|---|------------------|------------------|
| | € | € |
| Foreign tax | 631,682 | 2,627,474 |
| Deferred taxation | | |
| Arising from origination and reversal of timing differences | <u>(830,184)</u> | <u>(710,005)</u> |
| Tax (receipt)/expense in the income statement | <u>(198,502)</u> | <u>1,917,469</u> |

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

| | 2020 | 2019 |
|---|---------------------|---------------------|
| | € | € |
| Loss before tax | <u>(21,523,959)</u> | <u>(33,858,906)</u> |
| Corporation tax at standard rate | (4,089,565) | (6,433,192) |
| Effect of revenues exempt from taxation | - | (17,168) |
| Effect of expense not deductible in determining taxable profit (tax loss) | 126,028 | 1,411,575 |
| Effect of tax losses | 6,304,183 | 6,186,201 |
| Effect of foreign tax rates | (879,344) | 1,353,088 |
| Tax (decrease)/increase from effect of capital allowances and depreciation | (31,706) | 36,565 |
| Tax decrease from other short-term timing differences | (830,184) | (619,600) |
| Tax decrease from effect of adjustment in research and development tax credit | <u>(797,914)</u> | <u>-</u> |
| Total tax (credit)/charge | <u>(198,502)</u> | <u>1,917,469</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Deferred tax

Group

Deferred tax assets and liabilities

| | Asset € | Liability € |
|--|------------------|------------------|
| 2020 | | |
| Asset arising on tax losses carried forward | 3,632,543 | - |
| Liability associated with intangibles acquired through business combinations | - | 3,474,063 |
| | <u>3,632,543</u> | <u>3,474,063</u> |
| 2019 | | |
| Asset arising on tax losses carried forward | 3,233,887 | - |
| Liability associated with intangibles acquired through business combinations | - | 1,796,533 |
| | <u>3,233,887</u> | <u>1,796,533</u> |

Deferred tax assets arising on losses incurred in Spain since 2008 amount to €1,868,762. Based upon management forecasts it is expected that the deferred taxes will be fully recovered within the period established under current regulations. Deferred tax assets are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

Deferred tax assets arising on losses incurred in the UK amount to €735,708, having been provided for at 19%.

Deferred tax assets arising on losses incurred in Colombia amount to €484,573, having been provided for at 22%.

Deferred tax assets arising on losses incurred in Mexico amount to €510,517, having been provided for at 30%.

Deferred tax assets arising on losses incurred in Sweden amount to €32,833, having been provided for at 22%.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Profit attributable to the Company

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

14 Intangible assets - Group

| | Goodwill € | Customer database € | Internally generated software development costs € | Software € | Total € |
|-------------------------------|---------------|---------------------------|---|---------------|------------|
| Cost or valuation | | | | | |
| At 1 January 2020 | 12,278,137 | 7,840,749 | 10,221,313 | 11,422,978 | 41,763,177 |
| Additions acquired separately | 9,216,918 | 3,946,788 | 5,851,625 | 66,032 | 19,081,363 |
| At 31 December 2020 | 21,495,055 | 11,787,537 | 16,072,938 | 11,489,010 | 60,844,540 |
| Amortisation | | | | | |
| At 1 January 2020 | 825,780 | 492,474 | 4,553,569 | 2,833,182 | 8,705,005 |
| Amortisation charge | 2,633,410 | 1,369,584 | 1,200,144 | 746,715 | 5,949,853 |
| At 31 December 2020 | 3,459,190 | 1,862,058 | 5,753,713 | 3,579,897 | 14,654,858 |
| Carrying amount | | | | | |
| At 31 December 2020 | 18,035,865 | 9,925,479 | 10,319,225 | 7,909,113 | 46,189,682 |
| At 31 December 2019 | 11,452,357 | 7,348,275 | 5,667,744 | 8,589,796 | 33,058,172 |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Intangible Assets - Group (continued):

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

Goodwill has arisen in relation to the acquisition of the following companies during 2020:

- Unique Employment Ltd, a company registered in England and Wales;
- Impegno Personalmanagement GmbH, a company registered in Germany;
- Kuhn Personalservice GmbH, a company registered in Germany;

Goodwill has arisen in relation to the acquisition of the following companies during 2019:

- The Works Staffing Solutions Limited, a company registered in England and Wales;
- Red Eagle Limited, a company registered in England and Wales;
- Su Temporal, S.A.S., a company registered in Colombia;
- Gente Oportuna, S.A.S., a company registered in Colombia;
- DPL S.L.U., a company registered in Spain;
- Ader ETT, S.A., a company registered in Spain;
- TECHNICON SA de CV, a company registered in Mexico;

Additionally, Goodwill has arisen in relation to the acquisition of companies in Colombia, Germany and Sweden during 2017.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

15 Tangible assets

Group

| | Furniture, Fixtures and fittings € | Motor vehicles € | Computer and other office equipment € | Total € |
|--|---|---------------------|--|------------------|
| Cost or valuation | | | | |
| At 1 January 2020 | 649,355 | 148,041 | 1,541,885 | 2,339,281 |
| Additions | 197,099 | - | 111,739 | 308,838 |
| Acquired through business combinations | 218,927 | - | 48,463 | 267,390 |
| Disposals | (26,017) | - | - | (26,017) |
| At 31 December 2020 | <u>1,039,364</u> | <u>148,041</u> | <u>1,702,087</u> | <u>2,889,492</u> |
| Depreciation | | | | |
| At 1 January 2020 | 348,219 | 6,984 | 485,457 | 840,660 |
| Charge for the year | 228,849 | 778 | 290,048 | 519,675 |
| Eliminated on disposal | (26,017) | - | - | (26,017) |
| At 31 December 2020 | <u>551,051</u> | <u>7,762</u> | <u>775,505</u> | <u>1,334,318</u> |
| Carrying amount | | | | |
| At 31 December 2020 | <u>488,313</u> | <u>140,279</u> | <u>926,582</u> | <u>1,555,174</u> |
| At 31 December 2019 | <u>301,137</u> | <u>141,057</u> | <u>1,056,428</u> | <u>1,498,622</u> |

Company

| | Other tangible assets € | Total € |
|--|-------------------------------|------------|
| Cost or valuation | | |
| Additions | (135,867) | (135,867) |
| Acquired through business combinations | 135,867 | 135,867 |
| At 31 December 2020 | <u>-</u> | <u>-</u> |
| Depreciation | | |
| Carrying amount | | |
| At 31 December 2020 | <u>-</u> | <u>-</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Investments

Company

| | 2020 | 2019 |
|-----------------------------|--------------------|-------------------|
| | € | € |
| Investments in subsidiaries | <u>118,033,711</u> | <u>93,029,600</u> |

Subsidiaries

€

Cost or valuation

| | |
|---------------------|--------------------|
| At 1 January 2020 | 93,029,600 |
| Additions | <u>25,004,111</u> |
| At 31 December 2020 | <u>118,033,711</u> |

Carrying amount

| | |
|---------------------|--------------------|
| At 31 December 2020 | <u>118,033,711</u> |
| At 31 December 2019 | <u>93,029,600</u> |

In the opinion of the Directors, the carrying value of investments is recoverable and so no provision has been made for impairment.

For the year ending 31 December 2020 the following subsidiaries were entitled to exemption from audit via parental guarantees under section 479A of the Companies Act 2006 relating to subsidiary companies:

Jobandtalent UK Limited (company registration number: 07890603)

Jobandtalent Works Limited (company registration number: 10123783)

Jobandtalent Services Limited (company registration number: 10654381)

Jobandtalent Advisors Limited (company registration number: 11345125)

Red Eagle Limited (company registration number: 05288420)

The Red Eagle Group Limited (company registration number: 05288421)

Wymea Group Limited (company registration number: 08784878)

The Works Staffing Solutions Ltd (company registration number: 05348140)

Unique Employment Services Limited (company number 03595874)

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Details of undertakings

Job and Talent Holding Limited holds 100% of the share capital of Job and Talent S.L. directly. All other investments are held indirectly as subsidiaries of Job and Talent S.L. Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking | Registered office | Holding | Proportion of voting rights and shares held | |
|---|---|----------|---|------|
| | | | 2020 | 2019 |
| Subsidiary undertakings | | | | |
| Jobandtalent UK Ltd | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| Jobandtalent Works Ltd | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| Jobandtalent Services Ltd | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| Jobandtalent Advisors Limited | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| Jobs and Talent S.L. | Paseo de la Castellana 93, 4º 28046 Madrid, Spain | Ordinary | 100% | 100% |
| JT Hiring Empresa de Trabajo Temporal, S.L. | Paseo de la Castellana 93, 4º 28046 Madrid, Spain | Ordinary | 100% | 100% |
| JT Academy S.L. | Paseo de la Castellana 4º, 28046 Madrid, Spain | Ordinary | 100% | 100% |
| Talent Staffing ETT S.L | Paseo de la Castellana 4º, 28046 Madrid, Spain | Ordinary | 100% | 100% |
| Servicios Dix 2012, S.L. | Paseo de la Castellana 93, 4th floor, 28046, Madrid-Spain | Ordinary | 100% | 100% |
| Jobandtalent CO, S.A.S. | Carrera 12, nº 88-21, Oficina 302, Bogota D.C. Colombia | Ordinary | 100% | 100% |
| OTEM SAS | Carrera 12, nº 90- 19 p4, Bogota D.C. Colombia | Ordinary | 100% | 100% |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

| | | | | |
|---|--|----------|------|------|
| Jobandtalent Contrataciones, S.A.S | Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia | Ordinary | 100% | 100% |
| Jobandtalent MX, S. de R.L. de C.V. | Av. Presidente Masaryk 61 Piso 11 Zip Code 11550 Polanco, CDMX | Ordinary | 100% | 100% |
| Jobandtalent MX Outsourcing, S. de R.L. de C.V. | Av. Presidente Masaryk 61 Piso 11 Zip Code 11550 Polanco, CDMX | Ordinary | 100% | 100% |
| Jobandtalent DE GmbH | Tegeler Str. 31, 13353 Berlin, Germany | Ordinary | 100% | 100% |
| Jobandtalent USA Inc. | 2711 Centerville Road, Suite 400, in the City of Wilmington, Delaware 19808, USA | Ordinary | 100% | 100% |
| Jobandtalent Sweden AB | Saltnätargatan 9, 113 59 Stockholm, Sweden | Ordinary | 100% | 100% |
| PaySalary Sverige AB | Saltnätargatan 9, 113 59 Stockholm, Sweden | Ordinary | 100% | 100% |
| The Works Staffing Solutions Ltd | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| Jobandtalent Staffing Sweden AB | Saltnätargatan 9, 113 59 Stockholm, Sweden | Ordinary | 100% | 100% |
| Red Eagle Limited | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| The Red Eagle Group Ltd | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| Wymea Group Ltd | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 100% |
| Su Temporal, S.A.S. | Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia | Ordinary | 100% | 100% |
| Servioportunos, S.A.S. | Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia | Ordinary | 100% | 100% |
| Gente Oportuna, S.A.S. | Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia | Ordinary | 100% | 100% |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

| | | | | |
|--|--|----------|------|------|
| Consulting and Services JT S de RL de CV | Av. Presidente Masaryk 61 Piso 11 Zip Code 11550 Polanco, CDMX | Ordinary | 100% | 100% |
| ADECATO CONSULTING S de RL de CV | Av. Presidente Masaryk 61 Piso 11 Zip Code 11550 Polanco, CDMX | Ordinary | 100% | 100% |
| TECHNICON SA de CV | Av. Presidente Masaryk 61 Piso 11 Zip Code 11550 Polanco, CDMX | Ordinary | 100% | 100% |
| IMPULSO TECHNICON SA DE CV | Av. Presidente Masaryk 61 Piso 11 Zip Code 11550 Polanco, CDMX | Ordinary | 100% | 100% |
| JT DE Staffing Gmbh | Tegeler Str. 31, 13353 Berlin, Germany | Ordinary | 100% | 100% |
| JT DE Outsourcing Gmbh | Tegeler Str. 31, 13353 Berlin, Germany | Ordinary | 100% | 100% |
| JT Hiring Sucursal Colombia | Carrera 12, n° 90- 19 p4, Bogota D.C. Colombia | Ordinary | 100% | 100% |
| Desarrollo de Personal Logístico ETT, S.L.U. | Paseo de la Castellana 4º, 28046 Madrid, Spain | Ordinary | 100% | 100% |
| TempoPan, S.L.U. | Paseo de la Castellana 4º, 28046 Madrid, Spain | Ordinary | 100% | 100% |
| Ader ETT, S.A. | Paseo de la Castellana 4º, 28046 Madrid, Spain | Ordinary | 100% | 100% |
| Jobandtalent France SAS | 128 Rue La Boétie. 75008. París | Ordinary | 100% | 100% |
| Jobandtalent Outsourcing SAS | 128 Rue La Boétie. 75008. París | Ordinary | 100% | 100% |
| Jobandtalent Staffing SAS | 128 Rue La Boétie. 75008. París | Ordinary | 100% | 100% |
| Unique Employment Services Ltd | 12 New Fetter Lane, London, United Kingdom, EC4A 1JP | Ordinary | 100% | 0% |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

| | | | | |
|---|---|----------|------|----|
| Jobandtalent MX Outsourcing S de RL de CV | Av. Presidente Masaryk 61 Piso 11 Zip Code 11550 Polanco, CDMX | Ordinary | 100% | 0% |
| Kuhn Personalservice GmbH | Bertha-von-Suttner-Platz 25, 53111 Bonn | Ordinary | 100% | 0% |
| Impegio Personal management GmbH | Lederstrasse 134, 72764 Reutlingen | Ordinary | 100% | 0% |
| Job and Talent CEE S.L. | Calle Sierra Morena 12, Area Empresarial Andalucía, Pinto-Madrid, 28320 | Ordinary | 100% | 0% |
| Jobandtalent Hiring Portugal Trab.Temp | Edificio LACS - SR0.2, Cais Rocha Conde d'Obidos 1350-352, Lisbon, Portugal | Ordinary | 100% | 0% |

The principal activity of all of the companies listed above is the provision of services to third parties in the temporary employment sector. Since the balance sheet date the Group has continued to identify and acquire strategic partners in order to grow the business in line with the business plan.

The subsidiaries which were purchased during the year were acquired on the following dates:

- Unique Employment Services Ltd: acquired on 28 September 2020;
- Kuhn Personalservice GmbH: acquired on 18 December 2020;
- Impegio Personalmanagement GmbH: acquired on 30 December 2020.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

17 Business Combinations

During the 2020 financial year, the group has acquired control of the companies detailed in the table below. In all cases, 100% of the share capital was acquired. These operations are part of the expansion process envisaged by the group, in accordance with the guidelines established in the strategic plan. The following table sets out the assets and liabilities of the companies acquired in the different countries, recognized on the date of acquisition along with the fair value of the consideration transferred and therefore the goodwill recognised in these business combinations.

| | United Kingdom | Germany | Germany | |
|---|---------------------------------------|--|--|-------------------|
| | Unique Employment Jobandtalent UK Ltd | Impegio Personalmanagement GmbH Jobandtalent DE GmbH | Kuhn Personalservice GmbH Jobandtalent DE GmbH | Total |
| Net assets acquired | 970,899 | 1,004,328 | 541,934 | 2,517,161 |
| Identifiable intangible assets | 1,159,575 | - | 2,787,212 | 3,946,787 |
| Deferred tax liability | (220,319) | - | (696,803) | (917,122) |
| Fair value of identifiable net assets acquired | 1,910,155 | 1,004,328 | 2,632,343 | 5,546,826 |
| Goodwill | 1,917,117 | 2,832,144 | 4,467,657 | 9,216,918 |
| Consideration transferred | 3,827,272 | 3,836,472 | 7,100,000 | 14,763,744 |
| <i>Made up of:</i> | | | | |
| Cash | 1,819,464 | 3,069,177 | 6,600,000 | 11,488,641 |
| Deferred cash consideration | 2,007,808 | 767,295 | 500,000 | 3,275,103 |
| Total consideration transferred | 3,827,272 | 3,836,472 | 7,100,000 | 14,763,744 |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Impact of the combination on group results:

Income and result attributable to the combination from the acquisition date to the closing date of the financial year 2020 are as follows:

| | United Kingdom | Germany | Total |
|---------------------|----------------|-----------|-----------|
| Turnover | 6,469,254 | 1,282,877 | 7,752,131 |
| Result for the year | 197,500 | 30,856 | 228,356 |

18 Debtors

| | Note | Group | | Company | |
|------------------------------------|------|-------------|-------------|--------------|--------------|
| | | 2020 € | 2019 € | 2020 € | 2019 € |
| Trade debtors | | 100,634,747 | 79,864,463 | - | - |
| Amounts owed by group undertakings | 31 | - | - | 44,099,893 | 38,244,084 |
| Other debtors | | 6,906,611 | 5,534,592 | 34,101 | 34,102 |
| Prepayments | | 2,066,302 | 2,177,778 | - | - |
| Deferred tax assets | 12 | 3,632,542 | 3,233,887 | - | - |
| | | 113,240,202 | 90,810,720 | 44,133,994 | 38,278,186 |
| Less non-current portion | | (3,632,542) | (3,233,887) | (44,099,893) | (36,197,853) |
| | | 109,607,660 | 87,576,833 | 34,101 | 2,080,333 |

Included within other debtors are recoverable taxes such as VAT of €4,566,282 (2019: €1,383,147).

Details of non-current debtors

Group

€3,632,542 (2019 - €3,233,887) of the deferred tax asset is classified as non-current as it is not expected to be recovered within 12 months of the balance sheet date.

Company

€44,099,893 (2019 - €36,197,853) of amounts owed by group undertakings is classified as non current. These accrue interest at rates between 1-5% and are repayable between 2023 to 2027.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

19 Other financial assets

| | Group | | Company | |
|-------------------------------------|-------------------|-------------------|----------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | € | € | € | € |
| Non-current financial assets | | | | |
| Guarantees and deposits | <u>1,188,680</u> | <u>721,134</u> | <u>-</u> | <u>-</u> |
| | Group | | Company | |
| | 2020 | 2019 | 2020 | 2019 |
| | € | € | € | € |
| Current financial assets | | | | |
| Guarantees and deposits | <u>13,661,264</u> | <u>16,292,258</u> | <u>-</u> | <u>-</u> |

Non-current financial assets include long term deposits paid on properties occupied by the Group which are recoverable after 2021.

Current financial assets are fixed short-term deposits held with financial institutions.

20 Cash and cash equivalents

| | Group | | Company | |
|--------------|-------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | € | € | € | € |
| Cash at bank | <u>88,302,850</u> | <u>21,880,954</u> | <u>67,416,284</u> | <u>11,089,288</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Creditors

| | Note | Group | | Company | |
|---------------------------------|------|--------------------|--------------------|-------------------|-------------------|
| | | 2020 € | 2019 € | 2020 € | 2019 € |
| Due within one year | | | | | |
| Loans and borrowings | 22 | 70,990,866 | 49,163,994 | 18,949,156 | 7,195,421 |
| Trade creditors | | 8,068,207 | 6,937,199 | 1,447,026 | 3,302,713 |
| Amounts due to related parties | 31 | 316,756 | 4,246,002 | 8,361 | 8,369 |
| Social security and other taxes | | 43,043,363 | 30,902,663 | - | - |
| Wages payable | | 23,053,294 | 19,368,642 | - | 2,339 |
| Accruals | | 1,876,113 | 3,306,179 | 69,106 | 84,444 |
| | | <u>147,348,599</u> | <u>113,924,679</u> | <u>20,473,649</u> | <u>10,593,286</u> |
| Due after one year | | | | | |
| Loans and borrowings | 22 | 11,321,301 | 11,551,793 | - | 8,849,156 |

22 Loans and borrowings

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|------------------|
| | 2020 € | 2019 € | 2020 € | 2019 € |
| Non-current loans and borrowings | | | | |
| Bank borrowings and credit facilities | 10,489,626 | 9,386,691 | - | 8,849,156 |
| Other borrowings | <u>831,675</u> | <u>2,165,102</u> | <u>-</u> | <u>-</u> |
| | <u>11,321,301</u> | <u>11,551,793</u> | <u>-</u> | <u>8,849,156</u> |
| | Group | | Company | |
| | 2020 € | 2019 € | 2020 € | 2019 € |
| Current loans and borrowings | | | | |
| Bank borrowings and credit facilities | 62,551,889 | 40,061,848 | 18,949,156 | 7,195,421 |
| Other borrowings | <u>8,438,977</u> | <u>9,102,146</u> | <u>-</u> | <u>-</u> |
| | <u>70,990,866</u> | <u>49,163,994</u> | <u>18,949,156</u> | <u>7,195,421</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

| Borrowings are repayable as follows: 2020 | On demand or within one year | Between one and five years | After five years | Total |
|--|------------------------------------|-------------------------------|------------------|-------------------|
| Group | | | | |
| Bank loans and credit facilities | 62,551,889 | 10,489,626 | - | 73,041,515 |
| Other borrowings | <u>8,438,977</u> | <u>831,675</u> | <u>-</u> | <u>9,270,652</u> |
| | <u>70,990,866</u> | <u>11,321,301</u> | <u>-</u> | <u>82,312,167</u> |
| Company | | | | |
| Other borrowings | 18,949,156 | - | - | 18,949,156 |
| 2019 | | | | |
| Group | | | | |
| Bank borrowings and credit facilities | 40,061,848 | 9,386,691 | - | 49,448,539 |
| Other borrowings | <u>9,102,146</u> | <u>2,165,102</u> | <u>-</u> | <u>11,267,248</u> |
| | <u>49,163,994</u> | <u>11,551,793</u> | <u>-</u> | <u>60,715,787</u> |
| Company | | | | |
| Bank borrowing and credit facilities | <u>7,195,421</u> | <u>8,849,156</u> | <u>-</u> | <u>16,044,577</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Company:

Other borrowings correspond to a loan with a commercial lender. As at the year end the balance on this facility was €18,949,156 (2019: €16,044,577), with an interest rate of 12% repayable by instalment.

The Company has issued warrants in relation to certain loan agreements. Subsequent to the year end the conditions to exercise have been met but none have been exercised.

Group:

As of 31 December 2020, short-term liabilities with credit institutions correspond mainly to various recourse factoring contracts with different financial institutions for the transfer of existing outstanding amounts as of that date with certain clients. The contracts establish that, in the event of non-payment by the client, the amounts initially paid by the financial institution as a result of said transfer must be reimbursed. The main contract in force during 2019 was one signed by the Spanish subsidiary of JT Hiring ETT, S.L.U. whose maximum amount available was €19,000,000. During the financial year 2020, this instrument has been renewed, establishing a new maximum amount of €25,000,000.

Included in amounts due to banks and credit facilities are amounts totalling €12,485,342 (2019: €11,209,843) for which security has been provided. These amounts are secured by way of a fixed and floating charge over the assets of the corresponding subsidiaries. The loan was subsequently repaid on 17 February 2021 and all charges have been released.

Other borrowings largely relate to amounts payable for the acquisitions of companies detailed in Note 16.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23 Deferred tax and other provisions

Group

| | Deferred tax € | Other provisions € | Total € |
|--|-------------------|--------------------------|------------------|
| At 1 January 2020 | 1,796,533 | 78,200 | 1,874,733 |
| Increase (decrease) in existing provisions | <u>537,333</u> | <u>(78,200)</u> | <u>459,133</u> |
| At 31 December 2020 | <u>2,333,866</u> | <u>-</u> | <u>2,333,866</u> |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

24 Share capital

Allotted, called up and fully paid shares

| | 2020 | | 2019 | |
|---|-------------------|---------------|-------------------|---------------|
| | No. | € | No. | € |
| Ordinary shares of €0.001 each | 766,073 | 766.07 | 3,012,800 | 3,012.80 |
| Ordinary deferred shares of €0.001 each | 1,277 | 1.28 | 1,277 | 1.28 |
| Ordinary A1 shares of €0.001 each | 1,082,800 | 1,082.80 | 1,115,000 | 1,115.00 |
| Ordinary A2 shares of €0.001 each | 3,145,500 | 3,145.50 | 3,642,000 | 3,642.00 |
| Ordinary A3 shares of €0.001 each | 3,509,354 | 3,509.35 | 3,786,000 | 3,786.00 |
| Ordinary B1 shares of €0.001 each | 5,262,975 | 5,262.98 | 5,262,975 | 5,262.98 |
| Ordinary B2 shares of €0.001 each | 1,342,911 | 1,342.91 | 2,149,210 | 2,149.21 |
| Ordinary C shares of €0.001 each | 14,439,391 | 14,439.39 | 10,580,360 | 10,580.36 |
| Ordinary C1 Preference shares of €0.001 each | 7,726,747 | 7,726.75 | - | - |
| Ordinary Class C Growth Shares of €0.001 each | 2,513,205 | 2,513.21 | - | - |
| | <u>39,790,233</u> | <u>39,790</u> | <u>29,549,622</u> | <u>29,550</u> |

In the event of liquidation when shares are repaid in preference to the others in the following order:

Ordinary C1 Preferred
Ordinary C Preferred
Ordinary B1 Preferred
Ordinary B2 Preferred
Ordinary A1 Preferred
Ordinary A2 Preferred
Ordinary A3 Preferred
Ordinary deferred shares
Ordinary Class C Growth
Ordinary shares

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Rights and restrictions

A) The ordinary shares (as defined in the company's Articles of Association (the "Articles")) shall confer on each holder of ordinary shares the right to receive notice of and to attend, speak and vote at all general meetings of the company and to receive and vote on proposed written resolutions of the company.

(B) Any available profits (as defined in the Company's Articles of Association (the "Articles")) which the company may determine to distribute in respect of any Financial Year (as defined in the Articles), will be distributed among the holders of the Equity Shares (as defined in the Articles) (pari passu as if the Equity Shares constituted one class of share) pro rata to the number of Equity Shares held.

(C) With respects to capital, on a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares (as defined in the Articles)) the surplus assets of the company remaining after payment of its liabilities shall be applied (to the extent that the company is lawfully permitted to do so):

(i) first in paying to each of the Series C1 Preferred Shareholders (as defined in the Articles), in priority to any other classes of Shares, an amount per Series C1 Preferred Share (as defined in the Articles) held equal to the Preference Amount (as defined in the Articles) together with a sum equal to any Arrears (as defined in the Articles) on the Series C Preferred Shares held by them (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series C Shareholders pro rata to the amounts paid up on the Series C Preference shares);

(ii) second in paying to each of the Series C Preferred Shareholders (as defined in the Articles), in priority to any other classes of Shares, an amount per Series C Preferred Share (as defined in the Articles) held equal to the Preference Amount (as defined in the Articles) together with a sum equal to any Arrears (as defined in the Articles) on the Series C Preferred Shares held by them (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series C Shareholders pro rata to the amounts paid up on the Series C Preference shares);

(iii) third in paying to each of the Series B Shareholders, in priority to the Series A Shares and Deferred Shares (as defined in the Articles) and the Ordinary Shares, an amount per Series B Preference Share (as defined in the Articles) held equal to the Preference Amount together with a sum equal to any Arrears on the Series B Preferred Shares held by them (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series B Shareholders pro rata to the amounts paid up on the Series B Preference shares);

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

(iv) fourth in paying to each of the Series A Shareholders, in priority to the Deferred Shares (as defined in the Articles) and the Ordinary Shares, an amount per Series A Preference Share (as defined in the Articles) held equal to the Preference Amount together with a sum equal to any Arrears on the Series A Preferred Shares held by them (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series A Shareholders pro rata to the amounts paid up on the Series A Preferred Shares);

(v) fifth in paying to the holders of the Deferred Shares, if any, a total of EUR1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and

(vi) the balance of any surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

(D) The Ordinary Shares are not to be redeemed or liable to be redeemed at the option of the company or the shareholders.

New shares allotted

During the year 7,726,747 Ordinary C1 Preferred having an aggregate nominal value of €7,726,747 were allotted.

During the year 2,513,205 Ordinary Class C Growth shares having an aggregate nominal value of €2,513,205 were allotted.

Total aggregate consideration for the above allotments of shares was €88,530,917.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

25 Reserves

Group

Share Premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Foreign Currency reserve

The foreign currency reserve represents the cumulative effect of foreign exchange revaluation gains and losses arising on consolidating subsidiaries which present their accounts in different currencies at each reporting date.

Other reserves

The Parent Company has, according to the authorisation of the General Shareholders' Meeting, purchased 272 of its own shares (92 of class A and 180 of class B) for a total amount of €740,000.

Share based payment reserve

The share based payment reserve arises where certain employees of the company along with other group employees have been granted options over the shares in Job and Talent Holdings Limited. The company recognised an equity settled share-based payment expense on a reasonable allocation of the total charge for the group.

Merger reserve

The merger reserve represents amounts recognised on the acquisition of Jobs and Talent S.L. being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

Capital redemption reserve

The previous Group share option plan for the granting of non-transferable options to certain members of staff at the discretion of the Directors was cancelled in 2016. The equity element of options issued but not exercised over the vesting period was included in the capital redemption reserve. All charges in relation to these schemes were fully recharged on to the subsidiary companies who employed the designated individuals. The total cost recognised in the income statement was €2,455,243 in the year ended 31 December 2016.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

26 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

| | 2020 | 2019 |
|---|------------------|------------------|
| | € | € |
| Not later than one year | 1,131,528 | 1,715,030 |
| Later than one year and not later than five years | 958,380 | 413,076 |
| Later than five years | 138,152 | - |
| | <u>2,228,060</u> | <u>2,128,106</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was €1,876,965 (2019 - €1,715,030).

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

27 Share-based payments

Scheme details

The Job and Talent Group operated until 2016 a share option plan, which was cancelled on May 2016 with amounts transferred to the capital redemption reserve.

Subsequently, a new share option plan for granting of non-transferable options to certain members at the discretion of the Directors were issued. All options are equity settled. All charges in relation to these schemes are fully recharged on to the subsidiary companies who employ the designated individuals. In order for the employees right to be allotted with the option to vest, certain conditions must be fulfilled. Management have estimated that it is not probable to fulfil all relevant conditions at the date of issuing this annual report, therefore the total cost recognised in this income statement in relation to this share option plan is €4,111 (2019: €nil).

The table below shows the movements which have occurred during 2020 including a restatement of options granted in 2019 that were not signed until after the year end:

| | As at 31 December 2019 | As at 31 December 2019 (As restated) | Exercised in year | Options forfeited | Options granted | As at 31 December 2020 |
|--------------------------|------------------------------|---|----------------------|----------------------|--------------------|------------------------------|
| Share Option Pool | | | | | | |
| ESOP Series B | 6,788,453 | 6,205,517 | - | (88,852) | 593,144 | 6,709,809 |
| ESOP Series C | 3,197,552 | 280,345 | - | (376,338) | 2,889,333 | 2,793,340 |
| | 9,986,005 | 6,485,862 | - | (465,190) | 3,482,477 | 9,503,149 |

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Plan "ESOP B" Plan Options on ordinary shares:

The plan, signed with an initial date in the financial year 2016, consists in the Beneficiary obtaining the rights to purchase options on ordinary shares of the Group's parent company in The United Kingdom, Job and Talent Holding, Ltd. The size of the plan granted amounts to a total of 2,455,018 options, distributed among employees and Directors of the Company, with an exercise price or "strike price" of zero Euro. Under this plan, a total of 2,172,271 options are granted and effective as of December 31, 2020 to employees or former employees of the Group and 135,183 to Directors.

Its vesting or accrual period is four years from the start date with a minimum period of stay in the company of one year, and its exercise or settlement has no expiration date set, being non-transferable. Its liquidation is conditioned to, among other aspects, a possible "sale" of the UK Company, understanding this sale operation as (a) the sale of all or practically all of the Company's assets; (b) the merger, consolidation or other capital reorganization or business combination transaction with or in another corporation; or (c) the completion of an operation in which a third party acquires the voting rights of the company.

This plan has been considered a transaction with payments based on shares, valuing both the services provided and the increase in net equity at the fair value of the equity instruments transferred, referred to the date of the concession agreement. According to the valuation made by the Company's Directors with the advice of an independent third party, the fair value of these options at the time of their concession is zero, so they have not had an accounting impact on the Group since their granting. Consequently, financial years 2020 and 2019 do not show any accounting impact of this plan.

"ESOP C" Option Plan on ordinary shares:

The framework plan, signed with an initial date in October 2019, consists of obtaining the rights to purchase options on ordinary shares by the Beneficiary of the Group's parent company in the UK, Job and Talent Holding Ltd. The plan amounts at a total of 5,031,340 options, distributed between employees and Directors, with a price or "strike price" of 7.5219 Euro.

Its vesting or accrual period is four years from the start date with a minimum period of stay in the company of one year, and its exercise or settlement is 10 years from its concession, being non-transferable.

Within this plan, two types of assets are defined:

- "C options": options on shares to which the conditions mentioned in the two previous paragraphs apply.
- "Growth C shares": assets with the nature of shares granted to company employees with a certain category and Directors. For the purposes of accrual conditions, they have the same characteristics as the C options.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Options granted in the year have been considered as a transaction with payments based on shares, valuing both the services provided and the increase in the equity for the fair value of the equity instruments transferred, as of the date of the concession agreement. A valuation carried out by an independent third party, in March 2020, has led to a personnel expense of €4,111 in the financial year 2020 and its counterpart in reserves.

28 Commitments

Group

In the opinion of the directors the Group has not entered into any commitments other than those disclosed in note 26.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

29 Post Balance Sheet Events

The main subsequent events that occurred in the Group in 2021 are the following:

Investing

In March 2021, the Group's parent company in the United Kingdom Jobs and Talent Holding Ltd. closed a new round of financing for the amount of €100 million subscribed by a single new investor, Softbank Vision Fund 2. This round of financing has been called "Series D" and has led to the issuance of a new Stock Option Plan for Employees and Directors. This plan is in negotiation process as of the date of preparation of these Consolidated Annual Accounts and, therefore, its specific conditions have not been established yet.

Acquisitions

In February 2021, the Group acquired 100% of a company in the United Kingdom. The income of this company in the last financial year was approximately 344 million pounds.

In March 2021, the Group acquired 100% of a company based in France. The income for the last financial year of this company was approximately 28 million euro.

Financing

Loan Facility

In February 2021, the Sole Shareholder of the Company, Job and Talent Holding, Ltd, has obtained a loan with funds managed by "BlackRock" for the amount of \$100 million (approximately 83 million euro) payable in full in 2025 and the Group is negotiating an extension of said loan for an amount of 60 million dollars, the Directors estimating its achievement before the end of the financial year 2021. These amounts are secured by way of a fixed and floating charge over the assets of the group.

Share Buyback

The following share buyback took place on 22 February 2021:

35,000 Ordinary shares with a nominal value of €0.001 for each share.

23,500 Series A1 Preferred shares with a nominal value of €0.001 for each share.

556,000 Series A2 Preferred shares with a nominal value of €0.001 for each share.

904,500 Series A3 Preferred shares with a nominal value of €0.001 for each share.

The total aggregate value of the share buyback amounted to €17,346,980.

Reduction in share premium

As of 18 January 2021 a special resolution was passed by way of written resolution to transfer €27,346,980 of the company's share premium account to distributable reserves.

Job And Talent Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

30 Net debt reconciliation

Group

| | At 1 January 2020 € | Financing cash flows € | At 31 December 2020 € |
|----------------------------------|---------------------------|------------------------------|--------------------------------|
| Cash and cash equivalents | | | |
| Cash | 21,880,954 | 66,421,896 | 88,302,850 |
| Borrowings | | | |
| Long term borrowings | (11,551,793) | 230,492 | (11,321,301) |
| Short term borrowings | <u>(49,163,994)</u> | <u>(21,826,872)</u> | <u>(70,990,866)</u> |
| | <u>(60,715,787)</u> | <u>(21,596,380)</u> | <u>(82,312,167)</u> |
| | <u>(38,834,833)</u> | <u>44,825,516</u> | <u>5,990,683</u> |

31 Related party transactions

Group

Loans from related parties

Loans from other related parties

During 2018, the Group signed a loan with a company in which certain investors hold stakes in the parent company of the Group in the United Kingdom at the date of the closing. This credit line has a maximum amount of 10 million Euros, which accrues an interest of 12% per year. As at 31 December 2020, the amounts owed by the Company for this loan amount to €316,756 and are included within Amounts due to related parties in creditors. Post year end, this loan has been fully repaid.

Company

The company has taken advantage of the exemption under Section 33.1A of FRS 102 not to disclose related party transactions between wholly owned entities within the group.

32 Parent and ultimate parent undertaking

In the directors' opinion there is no one ultimate controlling party.