

Management Report of the managing Executive Board for the Fiscal year 2021/2022 (01.10.2021 to 30.09.2022)

1 Bases of the Association

Hoffnungszeichen | Sign of Hope is a Christian-motivated organisation for human rights, humanitarian aid and development cooperation. Hoffnungszeichen works from Konstanz to help oppressed and exploited people around the world.

Hoffnungszeichen shows commitment for people, whose **human rights** are violated or threatened. Hoffnungszeichen provides **humanitarian aid** for people in need in the form of disaster and emergency aid and engages in the field of the sustainable **development cooperation** according to the principle "help for self-help".

Hoffnungszeichen sees itself in this context as a **bridge of love** and wants to establish a connection between giving and receiving, involved people, which is founded on charity for fellow humans, neighbourly love and solidarity. Hoffnungszeichen provides aid for those in need, supports sustainable development and gives people who are willing to help the opportunity to help.

Against the background of the Christian beliefs as a value and motivation basis Hoffnungszeichen allows itself to be guided by the **basic values of humanity, charity and solidarity**. The Bibel verse "Was ihr für einen meiner geringsten Brüder getan habt, das habt ihr mir getan!
(What you did to one of my least brothers, you did to me!)" (Matthew 25:40) forms a common basic motif in this context.

Hoffnungszeichen | Sign of Hope e.V. is registered at the register of associations of Freiburg i. Br. County Court under the association number VR 380978 and is recognised by the Inland Revenue Office Konstanz as a non-profit making organisation that serves charitable purposes.

The legal basis for the activities of the Association is the statutes of the Association, last amended by a resolution of the meeting of members on 16.03.2012. The framework for strategies, objectives and operative actions of the Association is formed by the mission statement based on the statutes of the Association, last amended by a resolution of the meeting of members on 13.03.2020.

Hoffnungszeichen has been a member of the "Deutscher Spendenrat" (German Donations Council) since 1997, holds the German Donations Council's certificate of audited transparency and is involved

in the "Verband Entwicklungspolitik und Humanitäre Hilfe deutscher Nichtregierungsorganisationen e.V." (Association for Development Policy and Humanitarian Aid of German Non-Governmental Organisations) (VENRO). The organisation is a signatory of the self-obligation declaration of the "Initiative Transparent Civil Society" and holds the UNO adviser status.

2 Economic report

2.1 Overall economic and industry-related basic conditions

2.1.1 Overall economic development

The effects of the Russian war of aggression against Ukraine have a considerable impact on the overall economic development in Germany.

According to the 2021/22 annual report of the German Council of Economic Experts, the energy crisis and high inflation have put a massive strain on households and businesses in Germany. The economic development in the first half of 2022 was mainly supported by the still rising consumption of services. Since the middle of the year, however, the massive increases in energy and food prices have led to ever greater losses in purchasing power and dampened private consumption. At the same time, the energy crisis is weighing on production, especially in energy-intensive industries. The global slowdown is weakening export demand. Due to the massively worsened outlook, the German Council of Economic Experts lowers its forecast for 2022 and expects real gross domestic product(GDP) in Germany to increase by only 1.7 % - for 2023 it expects GDP to decline by 0.2 %. In 2023, however, exports and corporate investment should gradually increase again. In addition, supply bottlenecks are expected to slowly ease and the industry's high order backlog will be worked off.

Consumer price inflation in Germany reached 10.4 % in October 2022, the highest level since the early 1950s. Energy prices have continued to rise since the beginning of the year. The now higher production costs are increasingly being passed on to consumers, which is also driving core inflation. The German Council of Economic Experts therefore expects an inflation rate of 8.0% for 2022 and 7.4% for 2023. High inflation rates dampen economic growth and can have a negative impact on the labour market. They can also adversely affect companies' financing and investment decisions.

Private households are burdened to varying degrees by inflation. Poorer households, for example, have to limit their consumption particularly strongly because they spend a larger share of their net income on energy and food, which have become particularly expensive.

The Corona crisis and the Russian war of aggression have shown that Germany is dependent on other states for energy and many critical raw materials and products. The geopolitical changes have significantly increased the associated risks.

2.1.2 Industry-related basic conditions

Germans donated around 5.8 billion euros in the calendar year 2021. This is the best result since the survey began in 2005, according to the GfK study "Balance of help", which is conducted annually on behalf of the German Donations Council. Compared to the already very good previous year, the donation level rose again by a significant 7%. This means that the realistically optimistic forecast for 2021 as a whole (+8%) was almost achieved.

In the course of the month of the calendar year 2021, the picture already known from the first pandemic year initially emerged that the willingness to donate develops in parallel with the infection figures/lockdown measures.

Around 20 million people donated money to charitable organisations or churches in the calendar year 2021, which corresponds to 30.1% of the population. Compared to the previous year, this represents an increase of 5% or just under 1 million people.

The amount of the average donation per act of donation is two euros higher in 2021 compared to the previous year and has thus once again reached a record level of 42 euros. The average donation frequency per donor remains at the record level of around seven reached in 2019 and 2020.

Humanitarian aid continues to account for the lion's share of donations at 75.8%, which is slightly up on the previous year (75.6%). The biggest winner here is emergency and disaster relief, which increased its share of total donations from just under 18% to just under 28% in percentage terms, which corresponds to an increase of almost half a billion euros in absolute terms. Outside of humanitarian aid, the areas of animal welfare (+23 million euros), environmental protection and nature conservation (+15 million euros) and cultural and monument preservation (+2 million euros) recorded an increase in absolute figures.

The 70-plus generation continues to donate the most, even though their share of the total donation volume decreased slightly from 44% to 43% in 2021. On the other hand, the share of the 60-69 generation in the total donation volume rose from 15% to 18%.

The average donation volume per donor also increased in these age groups (age group 70plus: 416 euros per donor compared to 402 euros in 2020, age group 60-69 305 euros compared to 248 euros in 2020), as did the number of donors. Compared to 2020, the number of donors in the 70-plus age group rose by 152,000 and in the 60-69 age group by as much as 204,000.

The number of donors in the age groups 50-59 (+259,000) and in the age group up to 29 years (+508,000) rose even more significantly.

2.2 Development of business

On the whole we worked in 24 countries on 94 relief respectively human rights projects in the reporting period. In the year under review, we provided humanitarian aid, engaged in development cooperation or human rights work in the following countries: Armenia, Ethiopia, Bangladesh, Nagorno Karabakh, Democratic Republic of Congo, Germany, Guatemala, Haiti, India, Iraq, Yemen, Kenya, Lebanon, Madagascar, Malawi, Philippines, Rwanda, Zambia, Slovakia, South Sudan, Turkey, Uganda. We have continuously and systematically expanded our project activities in central East Africa. The bush clinic in Kosike, Uganda, is in full operation. In Northern Kenya, we are pushing ahead with health programmes (including mobile clinics). Due to Russia's war of aggression against Ukraine, we have allocated an enormous share of our financial and human resources to Ukraine emergency relief.

We are also consistently pursuing our path towards the greatest possible transparency. Since August 2015, we have also been a signatory to the Transparent Civil Society Initiative, thereby committing ourselves to making ten relevant, specified pieces of information public. In the 2017 financial year, we received the certificate for audited transparency from the German Donations Council for the first time, which was renewed in May 2020. Our efforts to achieve the greatest possible transparency are not only evident in the annual accountability report, but also in the further development of our international accounting system. Through the further development of a document management system (DMS), we are continuing to develop digitalisation in our organisation. This is the basis for the transparent presentation of important operational processes. The process flows stored in the DMS system guarantee an improvement of the internal control system and serve as an instrument to guarantee our internal policies.

In order to further professionalise the way Hoffnungszeichen works and to gain access to additional institutional donors, we have developed and introduced a set of policies. The implementation and further maintenance of these policies has become a cross-cutting task within the organisation. An external audit by an auditing firm to maintain the Framework Partnership Agreement (FPA) with the European Commission's Humanitarian Aid and Civil Protection department (ECHO) resulted in our being awarded the ECHO certificate in December 2020. This means that we can submit ECHO applications for humanitarian projects in Brussels until 2027.

Many loyal friends of Hoffnungszeichen made it possible for us to carry out numerous projects through their donations in the year under review. The additional financial support from cooperation with institutional and public donors was very helpful. The donations peaked at Christmas time and

from spring 2022 until the end of the financial year. The greatest growth impulses were achieved in the institutional donor revenue segment.

2.2.1 Human rights work

One of the main impulses of the revised mission statement for 2020 is the definition of a newly formulated overall objective for human rights work. In this context, the activities of the Human Rights Department will in future focus on those people in the Global South who are exploited by the societies of the Global North. The aim is to promote the achievement of a just global society.

The situation of the people in South Sudan continued to be the focus of our human rights work. The focus of our human rights work in the reporting year was on the campaign against environmental pollution by the oil industry in South Sudan. In this way, we also contributed to informing and educating the affected civil society in South Sudan.

In addition, the human rights situation in Kenya and Uganda was examined in detail. Our human rights activities in south-east Turkey continued to show that Christians there are under severe pressure. We supported these Christians in maintaining their Christian cultural identity.

Furthermore, we motivated our readers to send the two protest cards stitched into the monthly magazines of Hoffnungszeichen and to support the oppressed through the suggested prayer requests. We continue to support the concerns of the "Supply Chain Law Initiative".

The establishment of a new position in human rights fundraising is intended to provide a growth impulse for the further development of the human rights work area.

Influencing political decision-makers at home and abroad was an important part of our human rights work. We also used our UN consultative status and our contacts with the German Foreign Office, members of the German Bundestag and other contacts in politics and business to influence improvements in the human rights situation, especially in South Sudan and Turkey.

2.2.2 Humanitarian aid

In the reporting year, the Ukraine crisis was the focus of our humanitarian aid activities. Since the outbreak of the war, we have been supporting people who had to leave their homes, as well as those affected who were unable to flee and remained behind in the war zone. We were able to hand over urgently needed food, hygiene articles and medicines to 200 families with children with disabilities or impairments living in the greater Odessa area. This project was supported by Bild hilft e.V. - Ein Herz für Kinder. With a broad-based project funded by the German Foreign Office, we support a total of 20,000 refugees: 18,000 internally displaced persons in Ukraine and 2,000 refugees in Slovakia.

In addition, we were able to provide food aid for internally displaced persons in Yemen, which is plagued by civil war. In Bangladesh, an emergency aid project was implemented to support flood victims, and in another project we were able to provide food to Rohingya families who had fled. In Iraq, we carried out four small-scale projects in the 2021/22 financial year. Around three thousand people were reached with our WASH project in a refugee camp in Dohuk, 100 vulnerable families benefited from food distribution in Soran and 46 women participated in workshops on tailoring and pastry making. This provided important skills to start their own micro-enterprises.

Hoffnungszeichen also continues to be active in East Africa. Emergency aid projects in the form of food handovers helped many Kenyan, South Sudanese and Ethiopian families to overcome difficult times of drought. With funding from Sternstunden, we made it possible for many South Sudanese schoolchildren to have a midday meal. The German Federal Ministry for Economic Cooperation and Development (BMZ) is funding a multi-year education project that we are implementing together with the Diocese of Rumbek in South Sudan. This will improve the education system and the educational institutions in the region in the long term.

2.2.3 Development cooperation

Our development cooperation focuses in particular on the fight against hunger. In the reporting period, we started and continued numerous multi-year food security projects, most of them financed by the BMZ. We were able to develop such project activities in the following countries: Uganda, Ethiopia, DR Congo and Malawi. We carried out water supply projects mainly in Rwanda, Uganda and Zambia. Here, too, we received funding from the BMZ.

In India, mangrove forests on the Sunderban Islands are being reforested, among others for the improved coastal protection, but also for the absorption of carbon dioxide. The people living there receive training in the use of more efficient agricultural cultivation methods as well as support for obtaining new sources of income. In addition to the BMZ, we received funding from the OAK Foundation for the first time.

In a municipal development project in Guatemala the focus of our activities was placed on 10 villages. The school education is to be improved by further training measures for teachers and support services for poor families. In addition, healthcare helpers as well as junior executives are being trained for the municipal development. This project ended in the reporting period. A follow up project is being developed

The issue of health is another core concern of Hope Signs. The health station in Kosike, Uganda, was continued (with funding from the Else Kröner-Fresenius Foundation) as was our mobile clinic in northern Kenya.

We supported other projects in the field of development cooperation in Armenia by helping to establish income-generating measures for poor village families. We also helped mine victims, orphans and poor elderly people in Nagorno-Karabakh. In addition, we took care of street children in the Democratic Republic of Congo in cooperation with project partners.

2.2.4 Public Relations work and communication with donors

The explanatory notification of our range of activities in public plays a special role.

In the reporting year, we registered numerous publications by regional, national and international media reporting on our activities. We informed the public and our donors about our issues in the fields of human rights work, humanitarian aid and development cooperation through several press releases, twelve magazines and our website. In particular, inserts and direct mailing campaigns as well as our website drew the attention of both existing and prospective donors to various Hoffnungszeichen projects and asked them to donate. With our presence in social networks, we reached out to committed internet users. In addition, there were TV theme programmes and an online discussion forum or a human rights webinar, which also involved experts from politics and theology.

We continued to intensify our efforts to approach major donors in the reporting year. This also includes an intensified campaign to generate estate donations.

In the year under review, the new CRM database including software was used and further developed.

2.3 Results of operations

The income from the consumption of donations of the fiscal year amounted to EUR 14,628,545.52 (previous year EUR 11,282,633.76).

The donations received in the reporting year incl. institutional subsidies, donations in kind and inheritances amounted to EUR 14,425,718.53. Compared to the previous year's value (EUR 11,436,331.18), there is a significant increase in the received donations and grants received by 26.1 per cent. With the income from the consumption of donations of the fiscal year, EUR 801,459.07 in incoming donations from the previous year were consumed. Of the donations received in the reporting year an amount of EUR 598,632.08 could not be used yet. The total expenses amounted to EUR 13,490,653.83 in the reporting year (previous year: EUR 10,295,546.95). This includes expenses for fulfilling the work pursuant to the statutes in the amount of EUR 12,130,388.22 (previous year: EUR 8,940,053.66), administrative expenses in the amount of EUR 565,978.15

(previous year: EUR 544,491.41) and advertising expenses in the amount of EUR 794,287.46 (previous year: EUR 811,001.88).

2.4 Financial position

The financial position of the ongoing business transactions as well as the execution of the planned investments were ensured at all times. Hoffnungszeichen | Sign of Hope incorporated association primarily finances itself by private donations, subsidies from institutional funding bodies as well as interest and other income. The reserves are fully covered by liquid funds.

The Association makes an effort to take ethical aspects into account with the investment of liquid funds. The Association is orientated to the principle: "Security before yield". The reserves serve to also guarantee a solid basis for the Association for the going concern if risks arise, which lead to a negative change in the income situation of the Association. The financial position of Hoffnungszeichen is therefore to be classified as very good.

2.5 Net assets

The liquid funds influence the asset and capital structure of the Association.

On the assets side the item liquid funds in the amount of EUR 6,636,406.30 (previous year EUR 5,338,519.25) is of outstanding importance. The property, plant and equipment and the intangible assets essentially refer to capitalised hardware and software as well as to factory and office equipment.

The liabilities side is dominated by the positions of the donation funds not yet used pursuant to the statutes in the amount of EUR 1,169,770.31 (previous year: EUR 986,337.14) and the free reserve in the amount of EUR 5,523,895.85 (previous year: EUR 4,329,561.89). Funds were transferred to the free reserve from the net income for the year in the amount of EUR 1,194,333.96 in the fiscal year. The free reserve serves to compensate for fluctuations in income and to secure the institutional efficiency of the Association.

The balance sheet total amounted to EUR 7,290,753.22 in the reporting year (previous year: EUR 6,131,093.08).

2.6 Financial performance indicators

An important financial performance indicator at Hoffnungszeichen is the administrative costs coefficient. When determining this indicator recourse was taken to the definition basis of the Deutschen Spendenrat. The delimitation of the expenses for work pursuant to the statutes and work not pursuant to the statutes was carried out according to the definition of the Deutschen Spendenrat.

The advertising expenses and the expenses for donor support and advertising decreased moderately compared to the previous year (from 811,001.88 Euros to 794,287.46 Euros) by 16,714.42 Euros, which corresponds to a reduction of 2.1 %. The administrative cost coefficient decreased to 10.01 % (previous year 13.17 %) and is thus at a pleasingly low level. The administrative cost coefficient consists of expenses for administration 4.20 % (previous year 5.29 %) and expenses for donor relations 5.90 % (previous year 7.88 %).

The trust of the donors in the activities of a donation-collecting organisation is of outstanding and increasing importance. Trust can also be gained and consolidated by transparency. Therefore, we continued our efforts to achieve transparency and improve quality. We continue to document this by our membership in the Deutschen Spendenrat (DSR) and by the thus associated obligation to its principles. The compliance with these principles is also audited annually by an independent auditor as well as our annual financial statements. We obligate to comply with stipulated ethical and moral principles when carrying out our work and e.g., where possible, when investing our monies. We therefore invested part of the free reserve according to ethical aspects.

3 Declaration regarding the association management

The organs of the association are the general meeting, the supervisory board and the executive board. The full-time Executive Board reported to the Supervisory Board and the General Assembly in regular committee meetings. Supervisory Board meetings were held on 14 December 2020, 7 February 2021, 10 May 2021 and 20 September 2021. The general meeting could be held on 12 March 2021. The composition of the Supervisory Board and Executive Board remained unchanged in the reporting year. The number of members of the Association increased by one person.

4 Outlook, opportunities and risks report

4.1 Outlook

In the following fiscal year 2021/2022, we will place the focus on the people in distress and exploitation, above all in our action countries. The satisfaction of the basic human needs for food, drink and safety plays a fundamental role hereby in our work pursuant to the statutes.

We estimate the monetary expectations of donations, grants and co-financing for the following financial year 2022/2023 to total EUR 17.3 million. Here, we are forecasting incoming donations of EUR 7.6 million from our loyal and newly acquired donors and approximately EUR 9.73 million from institutional or public donors and contributors. It is planned to acquire donations in kind to pass on to those in need. In the following financial year, we are planning monetary expenditure of approximately EUR 19.6 million, about 13.4 % above the level of the calculated donation income, in

order to continue to use reserves in a targeted and sensible manner. In the following financial year, we will implement or support about 90 projects in about 20 countries. Evaluation processes and impact analyses are intended to increase the quality of the aid measures where it makes sense and is feasible.

For the period of the next five years, we are hoping to increase the incoming monetary donations respectively subsidies to approx. EUR 18.5 million in the financial year 2027 by continuous quality analysis and optimisation and the additional address of new groups of donors and funding bodies. We will hereby dedicate special attention to addressing large donors and the field of online fundraising. The increase in income is to be used both for project expenses of the own-implemented projects as well as for newly developed project countries. Consequently, the range of our own programmes above all in central East Africa is to be consistently enlarged so that substantially more people can above all be supervised by our programmes for ensuring the basic healthcare. The registration of Hoffnungszeichen in Ethiopia enables us to expand our statutory activities in this country as well and to implement both partner- and self-implemented projects and programmes in this country.

In the Hoffnungszeichen bodies, we are planning to subject the service concepts closely based on the mission statement to a regular internal audit in order to internally and continuously cater quickly for external changes and to hereby create a useful planning basis. The consistent further development of the efforts for transparency should confirm and further consolidate the trust of our donors with regard to the work of Hoffnungszeichen.

4.2 Opportunities and risks report

Our high-quality self-implemented projects in Uganda and North Kenya as well as the projects carried out by local partners in project countries open up opportunities for us to increase the income in the following fiscal year. We are intending to achieve this both by the application for public monies as well as of subsidies from other institutions, such as foundations. Our human rights engagement in South Sudan poses the opportunity to be perceived in public. Our emergency aid programme, which began on 24 February due to Russia's war of aggression against Ukraine, carries particular risks, as we are carrying out our engagement in a country where an aggressive superpower is trying to implement its goals without regard for human lives. Even before the war, the issue of corruption in Ukraine was a challenge. This problem situation could be exacerbated by the war. At the same time, we recognise the opportunity to assist numerous victims of the war in their plight and to expand our visibility as an internationally active organisation.

The uncertainty surrounding the war in Ukraine, the associated energy price increases and general price increases are having a negative impact on the entire global economy. This poses a risk because increased energy prices in particular could lead to some stagnation in private donations. At the same time, through our involvement in Ukraine, we were able to demonstrate to the Foreign Office's

Humanitarian Aid Coordination Committee that Hoffnungszeichen is also able to implement extensive aid projects quickly and efficiently in a country at war. The uncertainties regarding the global economic situation, which was already weakened before the war in Ukraine due to the ongoing Corona pandemic, represented in our view a risk in the area of donations for Hoffnungszeichen even before February 2022. This has been compounded by the increased rate of inflation worldwide, which poses a challenge when purchasing relief supplies and requires more funding. This risk can be cushioned by our healthy reserve cushion.

The enormously high level of participation by the Federal Government in the areas of Corona aid, Ukraine aid and energy price support to businesses and private households could lead to less government funding being made available for development cooperation and humanitarian aid in the future. We are countering these uncertainties with a further increase in the free reserve. The isolationist and nationalist tendencies in some developed industrial nations are causing a sharp reduction in the state-supported development aid efforts of these societies. Therefore, we have to expect that NGOs, which tend to receive decreasing government subsidies in these societies, will also enter our donation markets and thus intensify competition in this sector.

According to the state independence of South Sudan from North Sudan, which had been carried out on 9 July 2011, the youngest country in the world has become increasingly repressive and authoritarian. Serious corruption and a civil war that is always flaring up are visible signs of a failing state system. The weak Southern Sudanese state will, by all appearances, – also by violence – consolidate its eroding position of power. The thus associated endeavour for control is expected to have serious negative implications on the working conditions for non-government organisations in South Sudan.

The institutional connections that have become increasingly closer in the last few years between the oil industry and the Southern Sudanese government make the open address of environmental pollution by non-government organisations more difficult. There is a substantial risk for Hoffnungszeichen to be exposed to reprisals by the state in this political situation due to the also continuing critical problem that is to be addressed of environmental pollution and its negative health implications on a significant part of the South Sudanese population. This can lead to the fact that individual projects in South Sudan in the humanitarian field or in the development cooperation suffer under this and the affected projects must be carried out under serious conditions and partly even have to be discontinued.

We will all the more observe violations of human rights, which owing to industrial environmental pollution by improper waste disposal seriously harm the health of people and continue to complain about the conduct of the causing party Petronas. We will also continue to point out to Daimler AG, which is a Formula-1-cooperation partner of Petronas, its own ethical self-obligations and exercise public criticism where we recognise breaches of these guidelines.

The critical address of these two companies pose legal and consequently financial risks, which we minimise with critical, however cautious Public Relations work as well as by an increase in the free reserve.

Due to the comprehensive EU data protection law, there is basically an increased liability risk.

The necessary continuous, logistical supply of the health institutions supported by us with foods, medication and items of medical equipment due to weather conditions (rain periods), by the influence of violence on the transport routes or by theft can be delayed or even temporarily interrupted. In order to minimise this risk, long preliminary planning times are to be taken into consideration.

Risks may arise for Hoffnungszeichen from our employees themselves. People make mistakes and particularly with medical staff who we employ in Uganda and North Kenya, such mistakes may have serious implications. We try to counteract this risk by medical quality assurance.

The growth in income from institutional funding bodies involves several risks. On the one hand, the promises of financial promotion are often carried out by institutional funding bodies under a financial reservation. As, however, we have binding obligations towards our project partners to provide corresponding services, a loss of financing of an institutional funding body could have negative implications on our liquidity. On the other hand, for us as an organisation that is relatively inexperienced in the address of larger institutional funding bodies, the diversity of various funding body claims represents a risk in the field of the quality assurance. In the worst case one or more funding bodies could request the refund of promotional funds, if a breach of funding body-specific quality standards should be determined. We try to counteract this risk by the development and compliance with quality assurance measures. Extensive rules of guidelines ("Policies") have been developed and introduced for this purpose. In addition, the funding by institutional funding bodies is associated with time-limited project periods. This involves risks in the field of the personnel planning. We try to counteract this risk by the conclusion of project-related employment contracts. Finally, the various funding of various institutional funding bodies with regard to the amount of the own share respectively to be provided by Hoffnungszeichen in a certain project represents a risk. Should, for example, all submitted promotional projects be approved the obligation to provide own shares (between 0 and 25 per cent of the total project amount) could have negative implications on the liquidity. We counteract this risk by a detailed planning with regard to the address of funding bodies and by the reservation of a liquidity reserve in the form of the free reserve.

There is furthermore the risk that employees on site commit illicit acts and thus inflict material or intangible damages on Hoffnungszeichen. We try to counteract this risk with our extensive Code of Conduct, which is part of each contract with employees. We try to ensure the compliance with these rules in the line responsibility and by our internal control system. Misuse and corruption should therefore also be prevented.

The Euro stability can also, depending on the development of the EU member states, become instable. With a substantial fall in the value of the Euro unfavourable exchange rate movements would have to be included in the calculations.

The rising prices for food in our action countries may cause a cost increase with the food aid, through which we must plan higher project budgets in order to maintain the aid at the same level. Due to implications of the coronavirus pandemic in our target countries risks may arise with regard to the availability of human and material resources.

We can quickly counteract many risks due to our extensive experience and with the help of our experienced personnel in Africa. With regard to the implications of the coronavirus pandemic, we have taken extensive measures in order to protect our employees and workers.

Our free reserves represent a financial security buffer for the occurrence of unforeseen risks. In order to be able to quickly face disaster and emergency situations, we will ensure that a minimum liquidity is available.

5 Branch offices report

Hoffnungszeichen | Sign of Hope e.V. has, besides its head office in Konstanz, one branch office in Nairobi/Kenya still. Hoffnungszeichen | Sign of Hope e.V. is registered in the countries of South Sudan, Uganda and Ethiopia as an international NGO. Hoffnungszeichen has been operating a branch office in Berlin (capital office) since January 2021. In order to ensure rapid implementation of the Ukraine emergency aid, an initially provisional Hoffnungszeichen office was rented from a project partner in western Ukraine and staffed with its own employees.

6 Other disclosures

As the Hoffnungszeichen Association in the reporting year we supported the Hoffnungszeichen | Sign of Hope Foundation that was founded in June 2007, in the form of cost assumptions for material and personnel services within the framework of § 58 No. 2 of the German Fiscal Code.

Thank you

Our leading verse should also be indicative in the upcoming fiscal year for Hoffnungszeichen. ***"What you did to one of my least brothers, you did to me!"*** (Mt 25:40).

We would like to express our heartfelt thanks to all members, the honorary Supervisory Board and the Hoffnungszeichen employees for their specialist and personal, tireless engagement for the well-being of the people in distress and exploitation.

We are pleased to express the gratitude of many persons in distress and persecuted persons whom we were able to meet personally, to our generous friends, who have made their valuable contribution by prayer, donations and the signing of the protest cards. Your trust encourages us, with God's help to continue our engagement in many countries of the earth, in which the people have it much worse than we have!

Konstanz, 27 January 2023

Reimund Reubelt
(First Executive Board member)

Klaus Stieglitz
(Second Executive Board member)