

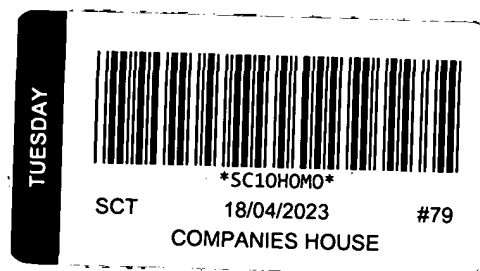
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Hi Bob Limited

Registered number: 09787994

Annual report

For the year ended 31 December 2021



HI BOB LIMITED

COMPANY INFORMATION

Directors	A R Fisher D Hebel H Klein A J Levy S R Tobin D O Wodak R Zehavi
Company secretary	Taylor Wessing Secretaries Limited
Registered number	09787994
Registered office	5 New Street Square London EC4A 3TW
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Capital Square 58 Morrison Street Edinburgh EH3 8BP

HI BOB LIMITED

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HI BOB LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The principal activity of Hi Bob Limited (the 'Company') is developing through its subsidiaries ("the Group"), a technology cloud based software as a service ("SaaS") platform that allows companies to streamline their HR operations. The Company provides support to customers mainly throughout EMEA, Americas and APJ. The Directors present their Strategic Report on Hi Bob Limited consolidated financial statements for the year to 31 December 2021.

Business review and key performance indicators

During the year Hi Bob Limited expanded its geographical area by establishing new subsidiaries in Germany and Australia. The Company has subsidiaries as of 31 December 2021 in the UK, Israel, USA, Netherlands, Australia and Germany.

The year to 31 December 2021 represented a year of significant growth for the Group. The revenues of the Group increased by 176% to \$28.2m (2020 - \$10.2m) mainly as a result of the increase in the number of customers. The gross margin of the Group increased by 6% to 72% (2020 - 66%) and the operating loss decreased by 84% to -92% (2020 - -176%).

At 31 December 2021 the net assets of the Group were \$189.4m (2020 - \$63.1m), the increase is mainly due to Investment Round C (\$150m) from investors.

The Directors consider key performance indicators to be revenue as detailed above. The Directors believe that preparing the financial statements on the going concern basis is appropriate, this is discussed in the Directors' Report on page 4.

Supplier payment policy

The Groups' standard supplier payment policy is to pay valid invoices within agreed terms.

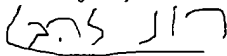
Principal risks and uncertainties

The principal risks and uncertainties affecting the Group are primarily the economic climate, with higher inflation and rising interest rates.

Credit risk is the risk of loss in value of financial assets due to the counter parties failing to meet all or part of their obligations. Credit risk is estimated by the Group to be limited.

Liquidity risk is the risk that the Group does not have sufficient liquid assets to meet its obligations as they fall due. Liquid funds are only placed with reputable institutions with high credit ratings.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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R Zehavi
Director

Date: 17/04/2023

HI BOB LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to \$25,619,674 (2020 - \$18,476,537).

There have been no dividends declared or paid during the year (2020 - £Nil).

Directors

The Directors who served during the year were:

A R Fisher
D Hebel
H Klein
A J Levy (appointed 10 November 2021)
S R Tobin
D O Wodak (appointed 4 October 2021)
R Zehavi
R Fink (resigned 4 October 2021)

HI BOB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Future developments

The Group will continue to develop and enhance the functionality of its HR platform.

Matters covered in the Group Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Group Strategic Report on page 1. These matters include a fair review of the Group's business, a description of the Group's principal risks and uncertainties and financial key performance indicators.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

Shares

In January 2022, the Company approved Secondary agreement according to which 1,264,701 Ordinary Shares, 36,450 Seed Shares and 786,894 Prefer A-1 Shares of £0.0000001 par value each were sold from a few shareholders to other shareholders for total consideration of \$50.5m.

In August 2022, the Company entered into Round C-1 Investment agreement, according to which the Company committed to issue 4,449,190 Series C-1 Preferred Shares of £0.0000001 par value each for total consideration of \$150m. All shares were issued by the end of 31 December 2022 and all amounts were paid.

In August 2022, the IL subsidiary entered into an agreement with a company in Portugal (the "PT Company") according to which the IL subsidiary will purchase the IP of the PT Company and the employees of the PT Company will be employed by the new subsidiary of Hi Bob in Portugal (the "PT subsidiary").

In October 2022, the Company approved a share split. Please see Note 28 for further information.

HI BOB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern

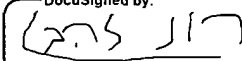
The Directors have considered the budget and cashflow forecasts for the Group, which take account of the economic impact of recent global events, and confirm that the Group will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of the Directors signing the financial statements for the year ended 31 December 2021.

Accordingly the financial statements have been prepared on a going concern basis.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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R Zehavi
Director

Date: 17/04/2023

HI BOB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HI BOB LIMITED

Opinion

We have audited the financial statements of Hi Bob Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the 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 FRS 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 and Parent Company's affairs as at 31 December 2021 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 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.

Other matters

Without qualifying our opinion, we draw attention to the accounting policies on page 19 to the financial statements and the fact that the comparative consolidated information in the financial statements, including that of certain components of the Group, was unaudited as the Company was entitled to exemption from the presentation of consolidated information for that year.

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 Group's and Parent Company'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.

HI BOB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HI BOB LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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's 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.

HI BOB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HI BOB LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 intend either 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the Parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

HI BOB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HI BOB LIMITED

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the carrying value of the investments and intangible fixed assets and the valuation of share based compensation, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.

Anna Campbell

Anna Campbell (Apr 18, 2023 10:28 GMT+1)

Anna Campbell (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Capital Square
58 Morrison Street
Edinburgh
EH3 8BP

Date: Apr 18, 2023

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	Unaudited 2020 \$
Turnover	4	28,243,750	10,215,708
Cost of sales		(7,773,794)	(3,451,312)
Gross profit		<u>20,469,956</u>	<u>6,764,396</u>
Administrative expenses		(46,473,528)	(24,910,046)
Other operating income	5	4,207	207,264
Operating loss	6	<u>(25,999,365)</u>	<u>(17,938,386)</u>
Profits on financial instruments	26	288,901	-
Interest receivable and similar income	10	90,840	36,899
Interest payable and similar expenses	11	(50)	(575,050)
Loss before taxation		<u>(25,619,674)</u>	<u>(18,476,537)</u>
Tax on loss	12	-	-
Loss for the financial year		<u><u>(25,619,674)</u></u>	<u><u>(18,476,537)</u></u>
Total comprehensive loss for the year		<u><u>(25,619,674)</u></u>	<u><u>(18,476,537)</u></u>

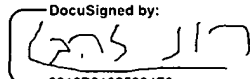
The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED
REGISTERED NUMBER: 09787994

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	Unaudited 2020 \$
Fixed assets			
Intangible fixed assets	13	2,108,842	742,430
Tangible fixed assets	14	1,454,395	1,028,813
		<u>3,563,237</u>	<u>1,771,243</u>
Current assets			
Debtors due after more than 1 year	16	472,895	790,171
Debtors due within 1 year	16	7,425,568	2,814,592
Current asset investments	17	139,000,000	-
Cash and cash equivalents and restricted cash	18	55,236,185	65,050,351
		<u>202,134,648</u>	<u>68,655,114</u>
Creditors: amounts falling due within one year	19	(16,251,290)	(7,314,513)
Net current assets		<u>185,883,358</u>	<u>61,340,601</u>
Net assets		<u><u>189,446,595</u></u>	<u><u>63,111,844</u></u>
Capital and reserves			
Called up share capital	21	8	7
Share premium account	22	273,971,650	123,984,294
Foreign exchange reserve	22	658,395	658,395
Share option reserve	22	3,244,550	1,277,482
Profit and loss account	22	(88,428,008)	(62,808,334)
Equity attributable to owners of the Parent Company		<u><u>189,446,595</u></u>	<u><u>63,111,844</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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R Zehavi
Director

Date: 17/04/2023

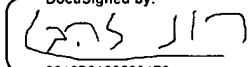
The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED
REGISTERED NUMBER: 09787994

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Fixed assets			
Investments	15	95,188,175	62,778,297
Current assets			
Debtors	16	22,017	15,633
Current asset investments	17	139,000,000	-
Cash and cash equivalents and restricted cash	18	39,856,589	60,033,989
		<u>178,878,606</u>	<u>60,049,622</u>
Creditors: amounts falling due within one year	19	(56,433)	(92,337)
Net current assets		178,822,173	59,957,285
Total assets less current liabilities		<u>274,010,348</u>	<u>122,735,582</u>
Net assets		<u><u>274,010,348</u></u>	<u><u>122,735,582</u></u>
Capital and reserves			
Called up share capital	21	8	7
Share premium account	22	273,971,650	123,984,294
Foreign exchange reserve	22	770,055	770,055
Share option reserve	22	3,244,550	1,277,482
Profit and loss account	22	(3,975,915)	(3,296,256)
		<u>274,010,348</u>	<u>122,735,582</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 3916B31025994F6...

R Zehavi
Director

17/04/2023

Date:

The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Share option reserves	Profit and loss account	Equity attributable to owners of Parent Company	Total equity
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2021	7	123,984,294	658,395	1,277,482	(62,808,334)	63,111,844	63,111,844
Comprehensive loss for the year							
Loss for the year	-	-	-	-	(25,619,674)	(25,619,674)	(25,619,674)
Total comprehensive loss for the year	-	-	-	-	(25,619,674)	(25,619,674)	(25,619,674)
Shares issued during the year, net of issue costs	1	149,839,993	-	-	-	149,839,994	149,839,994
Exercise of options	-	147,363	-	-	-	147,363	147,363
Share based compensation (note 23)	-	-	-	1,967,068	-	1,967,068	1,967,068
Total transactions with owners	1	149,987,356	-	1,967,068	-	151,954,425	151,954,425
At 31 December 2021	8	273,971,650	658,395	3,244,550	(88,428,008)	189,446,595	189,446,595

The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Foreign exchange reserve	Share option reserve	Profit and loss account	Equity attributable to owners of Parent Company	Total equity
	\$	\$	\$	\$	\$	\$	\$
At 1 January 2020 (unaudited)	5	53,548,387	658,395	770,587	(44,331,797)	10,645,577	10,645,577
Comprehensive loss for the year							
Loss for the year	-	-	-	-	(18,476,537)	(18,476,537)	(18,476,537)
Other comprehensive loss for the year							
	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(18,476,537)	(18,476,537)	(18,476,537)
Shares issued during the year, net of issue costs	2	69,914,000	-	-	-	69,914,002	69,914,002
Exercise of options	-	172,782	-	-	-	172,782	172,782
Warrant expenses	-	349,125	-	-	-	349,125	349,125
Share based compensation (note 23)	-	-	-	506,895	-	506,895	506,895
Total transactions with owners	2	70,435,907	-	506,895	-	70,942,804	70,942,804
At 31 December 2020 (unaudited)	7	123,984,294	658,395	1,277,482	(62,808,334)	63,111,844	63,111,844

The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$	\$
At 1 January 2021	7	123,984,294	770,055	1,277,482	(3,296,256)	122,735,582
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(679,659)	(679,659)
Total comprehensive loss for the year	-	-	-	-	(679,659)	(679,659)
Shares issued during the year, net of issue costs	1	149,839,993	-	-	-	149,839,994
Exercise of options	-	147,363	-	-	-	147,363
Share based compensation (note 23)	-	-	-	1,967,068	-	1,967,068
Total transactions with owners	1	149,987,356	-	1,967,068	-	151,954,425
At 31 December 2021	8	273,971,650	770,055	3,244,550	(3,975,915)	274,010,348

The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Share option reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$	\$
At 1 January 2020	5	53,548,387	770,055	770,587	(2,067,758)	53,021,276
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(1,228,498)	(1,228,498)
Total comprehensive loss for the year	-	-	-	-	(1,228,498)	(1,228,498)
Shares issued during the year, net of issue costs	2	69,914,000	-	-	-	69,914,002
Exercise of options	-	172,782	-	-	-	172,782
Warrant expenses	-	349,125	-	-	-	349,125
Share based compensation (note 23)	-	-	-	506,895	-	506,895
Total transactions with owners	2	70,435,907	-	506,895	-	70,942,804
At 31 December 2020 (unaudited)	7	123,984,294	770,055	1,277,482	(3,296,256)	122,735,582

The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	Unaudited 2020
	\$	\$
Cash flows from operating activities		
Loss for the financial year	(25,619,674)	(18,476,537)
Adjustments for:		
Amortisation of intangible fixed assets	298,525	37,432
Depreciation of tangible fixed assets	344,726	218,549
Interest paid	50	225,925
Interest received	(90,840)	(36,899)
Increase in debtors	(4,293,700)	(1,701,327)
Increase in creditors	8,936,777	3,214,798
Share based compensation	1,967,068	506,895
Warrant issued with respect of revolving Venture Loan	-	349,125
Net cash used in operating activities	<u>(18,457,068)</u>	<u>(15,662,039)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,664,937)	(779,862)
Purchase of tangible fixed assets	(770,308)	(452,730)
Short-term desposits made	(139,000,000)	-
Interest received	90,840	36,899
Repayment of employee loan receivables	-	7,066
Net cash used in investing activities	<u>(141,344,405)</u>	<u>(1,188,627)</u>
Cash flows from financing activities		
Issue of ordinary shares	149,839,994	69,914,002
Exercise of options	147,363	172,782
Interest paid	(50)	(225,925)
Net cash generated from financing activities	<u>149,987,307</u>	<u>69,860,859</u>
Net (decrease)/increase in cash and cash equivalents	<u>(9,814,166)</u>	<u>53,010,193</u>
Cash and cash equivalents at beginning of year	65,050,351	12,040,158
Cash and cash equivalents at the end of year	<u><u>55,236,185</u></u>	<u><u>65,050,351</u></u>

HI BOB LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	55,236,185	65,050,351

The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(i) Analysis of net debt

	At 1 January 2021 \$	Cash flows \$	At 31 December 2021 \$
Cash at bank and in hand	65,050,351	(9,814,166)	55,236,185

The notes on pages 19 to 38 form part of these financial statements.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Hi Bob Limited (the 'Parent Company') is a private company limited by shares incorporated in England and Wales. The Company's registered office is 5 New Street Square, London, EC4A 3TW. The address of its principal place of business is First Floor, The Buckley Building, 49 Clerkenwell Green, London, EC1R 0EB. The Company's registered number is 09787994.

The principal activity of the Group is that of a HR platform provider.

The principal activity of the Company is to develop through its subsidiaries, a technology-based software as a service ("SaaS") platform that allows companies to streamline their HR operations.

The functional and presentational currency of the Group and the Company is USD. Monetary amounts in these financial statements are rounded to the nearest \$.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

This is the first period that the Company is preparing consolidated financial statements for the Group as it was previously not required. As such the prior period comparative consolidated figures in the financial statements, including that of certain components of the Group, are unaudited.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

HI BOB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The Directors have considered the budget and cashflow forecasts for the Group, which take account of the economic impact of recent global events, and confirm that the Group will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of the Directors signing the financial statements for the year ended 31 December 2021.

Accordingly the financial statements have been prepared on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

HI BOB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

2.7 Research and development

The Group capitalises qualifying internal use software development costs related to its cloud platform. The costs consist of personnel costs (including related benefits and share-based compensation) that are incurred during the application development stage.

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

HI BOB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the straight line interest method (see note 2.19).

2.10 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the straight line interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.12 Share based compensation

Where share options are awarded to employees and service providers, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.13 Taxation**

Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as 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 Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the term of the lease
Office furniture and equipment	- 3 - 16.6 years
Computer equipment	- 3 years
Electronic equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Depreciation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

HI BOB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the straight line interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the straight line interest method.

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the straight line interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original straight line interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current straight line interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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 revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial period, are discussed below:

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgements in applying accounting policies (continued)**Carrying value of investments**

The Company holds investments in subsidiary companies which are measured at cost less accumulated impairment. At each reporting date, the Directors assess the carrying value of the investments for impairment. No impairment charge has been recognised in the year ended 31 December 2021. Refer to note 15 of the financial statements.

Share based compensation

The Company operates an international share option plan for its group employees and service providers. The Company selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The option-pricing model requires a number of assumptions, of which the most significant are the expected share price, volatility and the expected option term. Because there has been no public market for the Company's ordinary shares, the fair value of an ordinary share at the time of grant of the option has been determined by considering a number of objective and subjective factors including financing investment rounds, operating and financial performance, the lack of liquidity of share capital and general and industry specific economic outlook, amongst other factors. Refer to note 23 of the financial statements.

Software costs

The costs arising from internally developed software are classified as intangible fixed assets in the Consolidated Statement of Financial Position following the requirements of section 18 of FRS 102. Refer to note 13 of the financial statements.

Going concern

The financial statements are prepared on a going concern basis and further information around this is provided in note 2.3.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021	Unaudited 2020
	\$	\$
Turnover	28,243,750	10,215,708

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover (continued)

Analysis of turnover by country of destination:

	2021	Unaudited 2020
	\$	\$
United Kingdom	11,276,337	4,795,262
Rest of Europe	6,082,167	1,465,473
Rest of the world	10,885,246	3,954,973
	<u>28,243,750</u>	<u>10,215,708</u>

5. Other operating income

	2021	Unaudited 2020
	\$	\$
Government grants receivable	<u>4,207</u>	<u>207,264</u>

6. Operating loss

The operating loss is stated after charging/(crediting):

	2021	Unaudited 2020
	\$	\$
Operating lease rentals	1,527,779	1,511,185
Exchange differences	205,297	(104,054)
Depreciation of tangible fixed assets	344,726	225,037
Amortisation of intangible fixed assets	<u>298,525</u>	<u>37,432</u>

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2021	Unaudited 2020
	\$	\$
Fees payable to the Company's auditor for the audit of the consolidated and Parent Company's financial statements	60,813	24,631
All other services	<u>46,509</u>	<u>36,820</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2021	Unaudited 2020
	\$	\$
Wages and salaries	34,506,679	17,215,782
Social security costs	2,400,882	1,381,979
Cost of defined contribution scheme	1,093,368	587,088
Share based compensation	1,967,068	506,897
	<u>39,967,997</u>	<u>19,691,746</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021	Unaudited 2020
	No.	No.
Employees	<u>248</u>	<u>146</u>

9. Directors' remuneration

	2021	Unaudited 2020
	\$	\$
Directors' remuneration	616,824	345,051
Share based compensation	18,264	9,155
	<u>635,088</u>	<u>354,206</u>

During the year retirement benefits were accruing to no Directors (2020 - \$Nil) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of \$616,824 (2020 - \$345,051).

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Interest receivable and similar income

	2021	Unaudited 2020
	\$	\$
Other interest receivable	90,840	36,899
	<u>90,840</u>	<u>36,899</u>

11. Interest payable and similar expenses

	2021	Unaudited 2020
	\$	\$
Bank interest payable	50	575,050
	<u>50</u>	<u>575,050</u>

12. Taxation**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	Unaudited 2020
	\$	\$
Loss on ordinary activities before tax	(25,619,674)	(18,476,537)
	<u>(25,619,674)</u>	<u>(18,476,537)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(4,867,738)	(3,510,542)
Effects of:		
Expenses not deductible for tax purposes	612,381	301,045
Fixed asset differences	59,080	11,039
Non-taxable income	2,648	-
Expenditure relating to R&D	302,261	227,974
Deferred tax not recognised	3,891,368	2,970,484
	<u>617,638</u>	<u>1,510,542</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation (continued)**Factors that may affect future tax charges**

The Group has trading losses of approximately \$79m (2020 - \$53m) available to carry forward against future taxable profits.

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13. Intangible assets**Group**

	Software costs \$
Cost	
At 1 January 2021	779,862
Additions	1,664,937
At 31 December 2021	<u>2,444,799</u>
Amortisation	
At 1 January 2021	37,432
Charge for the year	298,525
At 31 December 2021	<u>335,957</u>
Net book value	
At 31 December 2021	<u>2,108,842</u>
At 31 December 2020 (unaudited)	<u>742,430</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tangible fixed assets**Group**

	Leasehold improvements \$	Office furniture and equipment \$	Computer equipment \$	Electronic equipment \$	Total \$
Cost					
At 1 January 2021	598,431	329,816	617,482	162,834	1,708,563
Additions	101,339	94,721	551,132	23,116	770,308
At 31 December 2021	<u>699,770</u>	<u>424,537</u>	<u>1,168,614</u>	<u>185,950</u>	<u>2,478,871</u>
Depreciation					
At 1 January 2021	231,290	48,614	360,391	39,455	679,750
Charge for the year	84,720	25,009	208,952	26,045	344,726
At 31 December 2021	<u>316,010</u>	<u>73,623</u>	<u>569,343</u>	<u>65,500</u>	<u>1,024,476</u>
Net book value					
At 31 December 2021	<u>383,760</u>	<u>350,914</u>	<u>599,271</u>	<u>120,450</u>	<u>1,454,395</u>
At 31 December 2020 (unaudited)	<u>367,141</u>	<u>281,202</u>	<u>257,091</u>	<u>123,379</u>	<u>1,028,813</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Investments**Company**

	Investments in subsidiary companies \$
Cost	
At 1 January 2021	62,778,297
Additions	32,409,878
At 31 December 2021	<u>95,188,175</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Hi Bob Ltd (Israel)	Ben Avigdor 28, Tel Aviv 6721848	Ordinary	100%
Hi Bob (UK) Limited	5 New Street Square, London, EC4A 3TW	Ordinary	100%
Hi Bob Inc.	275 7th Ave, Suite 1705 New York NY, 10001	Ordinary	100%
Hi Bob (NL) B.V.	Linneauskade 38-3, Amsterdam, Netherland	Ordinary	100%
Hi Bob (AU) PTY Ltd	Level 65, 19 Martin Place, Sydney, NSW 2000, Australia	Ordinary	100%
Hi Bob GmbH DE	Theodor-Stern-Kai 1, 60596, Frankfurt, Germany	Ordinary	100%

Hi Bob (UK) Limited is exempt from audit by virtue of Section 479A of the Companies Act 2006.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Debtors

	Group 2021 \$	Unaudited Group 2020 \$	Company 2021 \$	Company 2020 \$
Due after more than one year				
Other debtors	472,895	790,171	-	-
Due within one year				
Trade debtors	3,999,596	1,929,082	-	-
Amounts owed by group undertakings	-	-	12,173	-
Other debtors (note 26)	762,760	176,156	9,844	8,236
Prepayments and accrued income	2,663,212	709,354	-	7,397
	<u>7,898,463</u>	<u>3,604,763</u>	<u>22,017</u>	<u>15,633</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

17. Current asset investments

	Group 2021 \$	Unaudited Group 2020 \$	Company 2021 \$	Company 2020 \$
Short-term deposits	<u>139,000,000</u>	<u>-</u>	<u>139,000,000</u>	<u>-</u>

18. Cash and cash equivalents, and restricted cash

	Group 2021 \$	Unaudited Group 2020 \$	Company 2021 \$	Company 2020 \$
Bank current accounts	54,817,293	64,983,735	39,856,589	60,033,989
Restricted cash	418,892	66,616	-	-
	<u>55,236,185</u>	<u>65,050,351</u>	<u>39,856,589</u>	<u>60,033,989</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Creditors: Amounts falling due within one year

	Group 2021	Unaudited Group 2020	Company 2021	Company 2020
	\$	\$	\$	\$
Trade creditors	1,389,579	732,456	39,739	9,837
Other taxation and social security	1,801,823	735,702	-	-
Other creditors (note 26)	1,670,603	743,809	-	-
Accruals and deferred income	11,389,285	5,102,546	16,694	82,500
	<u>16,251,290</u>	<u>7,314,513</u>	<u>56,433</u>	<u>92,337</u>

20. Financial instruments

	Group 2021	Unaudited Group 2020	Company 2021	Company 2020
	\$	\$	\$	\$
Financial assets				
Financial assets measured at fair value through profit and loss	194,354,919	65,050,351	178,856,589	60,033,989
Financial assets measured at amortised cost	4,998,805	2,865,480	22,019	8,236
	<u>199,353,724</u>	<u>67,915,831</u>	<u>178,878,608</u>	<u>60,042,225</u>
Financial liabilities				
Financial liabilities measured at fair value through profit and loss	(4,511)	-	-	-
Financial liabilities measured at amortised cost	(9,298,822)	(4,167,667)	(56,433)	(92,337)
	<u>(9,303,333)</u>	<u>(4,167,667)</u>	<u>(56,433)</u>	<u>(92,337)</u>

Financial assets measured as fair value through profit and loss comprise cash and cash equivalents, current asset investments and assets from hedging transactions.

Financial assets measured at amortised cost comprise trade receivables, amounts owed by group undertakings and other receivables.

Financial liabilities measured as fair value through profit and loss comprise hedging financial instruments.

Financial liabilities measured at amortised cost comprise trade payables, amounts owed to group undertakings, other payables and accruals.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Share capital

	2021 \$	2020 \$
Allotted, called up and fully paid		
10,121,913 (2020 - 9,866,037) Ordinary shares of £0.0000001 -	1	1
6,606,643 (2020 - 6,606,643) Series seed shares of £0.0000001 -	1	1
8,004,306 (2020 - 8,004,306) Series A shares of £0.0000001 -	1	1
7,786,950 (2020 - 7,786,950) Series A-1 shares of £0.0000001 -	1	1
3,240,203 (2020 - 3,240,203) Series A-2 shares of £0.0000001 -	1	1
17,058,193 (2020 - 17,058,193) Series B shares of £0.0000001 -	2	2
6,201,909 (2020 - Nil) Series C shares of £0.0000001 -	1	-
1,512,400 (2020 - 1,512,400) Deferred shares of £0.0000001 -	-	-
	<hr/>	<hr/>
	8	7
	<hr/> <hr/>	<hr/> <hr/>

All classes of shares, except deferred shares, carry voting rights but no right to fixed income. Deferred shares carry no voting rights.

During the year the Company issued:

- 255,876 Ordinary shares at nominal value of £0.0000001
- 6,201,909 Series C shares at nominal value of £0.0000001

22. Reserves**Share premium account**

Share premium includes consideration received on allotment of share capital above par value, net of warrant expenses and issuance costs.

Foreign exchange reserve

The foreign exchange reserve represents the foreign exchange gains and losses that arose on the change in functional currency.

Share option reserve

This reserve represents the amounts recognised directly in the profit or loss account in the current and prior period relating to the share based compensation transactions granted under the Parent Company share option scheme.

Profit and loss account

This reserve represents cumulative profits and losses.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Share based compensation

The Company operates a voluntary employee share option scheme in which employees may opt in to purchase shares in the Company at a pre agreed price at a future date.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	0.50	4,426,230	0.50	3,090,526
Granted during the year	2.80	2,112,000	1.06	3,119,420
Forfeited during the year	1.26	(330,930)	0.36	(486,896)
Exercised during the year	0.58	(255,876)	0.74	(1,296,820)
Outstanding at the end of the year	1.52	5,951,424	0.82	4,426,230

The Company estimates the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Consolidated Statement of Comprehensive Income.

The Company recognizes compensation expenses for the value of its awards granted based on the straight line method over the requisite service period of each of the awards.

The Company selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The option-pricing model requires a number of assumptions, of which the most significant are the expected share price, volatility and the expected option term. Because there has been no public market for the Company's ordinary shares, the fair value of an ordinary share at the time of grant of the option is determined by considering a number of objective and subjective factors including financing investment rounds, operating and financial performance, the lack of liquidity of share capital and general and industry specific economic outlook, amongst other factors. The fair value of the underlying ordinary shares will be determined by the board of directors until such time as the Company's ordinary shares are listed on an established stock exchange. The Company's board of directors determined the fair value of ordinary shares based on valuations performed using the Option Pricing Method (OPM) for the years ended December 31, 2021, 2020 and 2019.

The total share based compensation expense recognised in profit or loss for the year is \$1,967,068 (2020 - \$506,895).

24. Pension commitments

The Group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to \$1,093,368 (2020 - \$587,088). Contributions totalling \$534,929 (2020 - \$237,480) were payable to the fund at the balance sheet date and are included in other creditors.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 \$	Unaudited Group 2020 \$
Not later than 1 year	1,307,685	1,713,414
Later than 1 year and not later than 5 years	1,447,879	3,874,398
	<u>2,755,564</u>	<u>5,587,812</u>

26. Other financial commitments

The Group uses derivatives to hedge its exposure to changes in foreign currency exchange rates. At the reporting date, the Group was committed to sell \$6,961,402 and receive ILS 22,040,000.

Derivative assets recognised in debtors at the period end relating to forward foreign currency exchange contracts amount to \$118,734 (2020 - \$Nil). Derivative liabilities recognised in creditors relating to forward foreign currency contracts amount to \$4,511 (2020 - \$Nil). The fair value movement of the contracts of \$288,901 (2020 - \$Nil) has been recognised through the Consolidated Statement of Comprehensive Income.

The valuation technique applied to determine the fair value of the forward contracts at the reporting date was to compare the contract value held with an equivalent contract that the Group could have entered into as at 31 December 2021.

27. Related party transactions

The Group has taken advantage of the exemption available per section 33 'Related Party Disclosure' of FRS 102 not to disclose transactions entered into between two or more members of a group that are wholly owned.

28. Post balance sheet events**Shares**

In January 2022, the Company approved Secondary agreement according to which 1,264,701 Ordinary Shares, 36,450 Seed Shares and 786,894 Prefer A-1 Shares of £0.0000001 par value each were sold from a few shareholders to other shareholders for total consideration of \$50.5m.

In August 2022, the Company entered into Round C-1 Investment agreement, according to which the Company committed to issue 4,449,190 Series C-1 Preferred Shares of £0.0000001 par value each for total consideration of \$150m. All shares were issued by the end of 31 December 2022 and all amounts were paid.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

28. Post balance sheet events (continued)

In August 2022, the IL subsidiary entered into an agreement with a company in Portugal (the "PT Company") according to which the IL subsidiary will purchase the IP of the PT Company and the employees of the PT Company will be employed by the new subsidiary of Hi Bob in Portugal (the "PT subsidiary").

In October 2022, the Company effected a bonus share distribution under which: (i) 60,666,520,752 bonus shares were issued for each shareholder of the same class for each share he holds; and (ii) following the bonus issue, the Company approved to consolidate the issued share capital of 60,727,248,000 shares of £0.0000001 each into 607,272,480 shares of £0.00001 each, such shares having the same rights and being subject to the same restrictions (save as to the nominal value) as the existing share and (iii) the conversion rate for each preferred share, option and warrant was adjusted to reflect such bonus share distribution. For accounting purposes, this transaction was recorded as a share split.

29. Controlling party

The Directors consider there to be no ultimate controlling party.