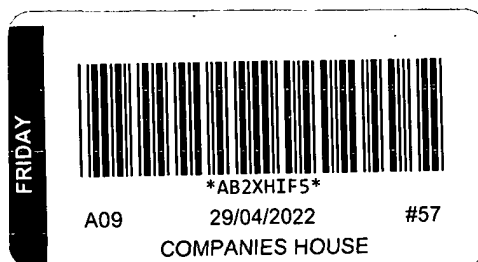


Registered number: 09384953

**Hey Habito Ltd**

**Annual Report and Financial Statements  
for the year ended 31 January 2021**



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**Hey Habito Ltd**

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**Hey Habito Ltd**

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**Company Information**

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<b>Directors</b>	T R Coppel D Pressburg M Malka N F Wass
<b>Registered number</b>	09384953
<b>Registered office</b>	Throgmorton UK Ltd 4 <sup>th</sup> Floor Reading Bridge House George Street Reading Berkshire RG1 8LS
<b>Independent auditors</b>	BDO LLP 55 Baker Street Marylebone London W1U 7EU
<b>Secretary</b>	Eriska Secretaries Limited Fourth Floor 115 George Street Edinburgh Scotland EH2 4JN

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## Hey Habito Ltd

### Strategic Report for the year ended 31 January 2021

The Directors present their strategic report and the audited financial statements of Hey Habito Ltd (the "Company") for the year ended 31 January 2021.

#### Review of business

##### Our purpose

The principal activities of the Company are mortgage brokerage, lending and home buying services.

##### Our business model

Habito is primarily an online mortgage brokerage that provides unbiased, independent advice free to the customer. In addition, Habito offers its own range of mortgages to allow customers greater speed and certainty in the mortgage process. Furthermore, 'Habito Plus' offers customers a complete homebuying service. Habito's revenues arise principally from procuration fees paid by lenders following recommendation of their product, customer fees for the Plus service and origination and servicing fees relating to the Company's own mortgage lending product.

Habito continues to seek solutions in the mortgage journey for customers with its direct lending platform, seeking further efficiencies in the conveyancing journey and consolidating its brokerage journey to ensure it remains best in class.

Technology sits at the core of the Company's business model and a continued focus on driving down the cost to serve its customers through technological efficiencies and solutions will maximise the margin, particularly on the brokerage line.

##### Key events during the year

There were several key events and milestones during the year:

- March 2020: Habito brokers over £4 billion of mortgages.
- June 2020- Habito becomes a B Corp certified business.
- July 2020: Habito completes Series C fundraising round of £35 million which includes a convertible loan note led by SBI group with participation from the government's Future Fund.
- September 2020: Habito brokers over £5 billion of mortgages.
- December 2020: Habito Plus passes 500 submissions for the first time.

##### Results and Performance

Habito's results for the year show that, despite a COVID-19 hit economy, revenue grew to £6.6m (2020: £5.1m). This was a result of serving more customers with more products, despite a period of unprecedented turmoil for the wider UK economy. Total operating loss reduced to £13.3m (2020: £22.6m) as a result of a concerted effort to control costs and navigate the COVID-19 pandemic. Staff costs contracted as the Company's average number of employees fell to 156 (2020: 171) as a consequence of COVID-19-related measures taken to ensure the long-term future of the company.

As at 31 January 2021, the Company had net liabilities of £5.6m (2020: net assets of £4.4m). This movement was driven by the addition of a £13.6m convertible loan note, including £5m from the government's Future Fund, as part of the Series C fundraising completed in the year. The terms of the Future Fund are structured such that the total £13.6m loan note will convert into equity at an eligible conversion date and incentivise against redemption. The Directors therefore consider that, whilst the loan note is recognised as a debt instrument to comply with the requirements of FRS 102, the intention of the investors and economic substance of the transaction was to invest in Habito as equity, and this accounting treatment does not affect the Company's ability to meet its obligations as they fall due.

**Strategic Report for the year ended 31 January 2021**

A conversion of the convertible loan note into the most senior class of shares will take place upon a financing round occurring in which the Company raises an amount equal to at least the aggregate amount of the convertible loans received by the Company (a 'Qualified Financing Event').

In December 2021, the Company completed a Series D equity funding round, with the first tranche of £3.9m received in December 2021 and £0.1m in January 2022. A second tranche of £2.3m was received in February and March 2022. A third and final tranche of Series D funding is expected to be received in 2022. In aggregate, the Series D funding round is expected to constitute a Qualified Financing Event and the convertible loan note will convert to equity. Upon conversion, the Company expects to return to a positive net assets position.

The Company's cash position at year-end was significantly higher than the prior year at £11.4m (2020: £4.7m) owing to the timing of the Series C fundraising round and the first tranche of venture debt being received.

The Company invested £2.6m (2020: £3.6m) in R&D during the year which allowed us to continue to improve our brokerage technology, improve and expand our new lending platform and build the foundation for our continued scaling activities.

The key performance indicators used by the Directors for an understanding of the development and performance of the business include investment performance, turnover, expense variance, cash utilisation and Trustpilot rating. The Directors monitor the KPIs using management accounts, flash reports, expense reports, regulatory capital reports and cash flow projections. The average Trust Pilot rating for the year was 4.82/5.

**Risks and uncertainties**

Habito is exposed to and monitors the following risks:

**Brexit risk** – Following the UK's cessation of the EU on 31 January 2020 the company monitored the relations between the UK and Europe. As Habito brokers mortgages and lends in the UK, a weakening of the UK economy has the potential to impact demand in the property market. Although the Company has not seen a tangible direct impact to its core business, the Directors believe the Company is sufficiently agile and processes robust enough to be able to react to market changes, should there be major fluctuations in the UK property market.

**COVID-19 risk** – Since March 2020 the UK and global economies have battled unprecedented shocks due to the COVID-19 pandemic. Habito, like a large portion of other UK companies, utilised the furlough scheme to alleviate the requirement for wholesale redundancies that have been prevalent across all industries and sectors. Additionally, Habito benefited from the government's Future Fund programme, giving much needed liquidity to continue to provide its services and giving it the platform to grow, as economic conditions begin to improve. As a tech-first company, Habito has embraced remote working throughout the pandemic. However, the Company is regularly surveying and discussing the optimum working arrangements going forward for its staff, with the aim to have an increased presence in the office going forward, whilst adhering to the latest government guidelines and supporting its staff requirements.

**Operational Risk** – The risk that financial loss or reputational damage arises from inadequate or failed processes, people or systems. The Company maintains robust operational systems and controls and through its investment in technology, has invested heavily in building up capabilities for the next stage of growth. The Company has an established Risk Committee and a strong, experienced risk and compliance function.

**Liquidity and Cash Flow Risk** – The risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the

**Strategic Report for the year ended 31 January 2021**

Company's position. The last year has been a stress test of those risks but due to ongoing monitoring and review by the Directors and within formal Committees, the Company has navigated the potential liquidity issues.

**Regulatory Risk** – The Company is regulated by the Financial Conduct Authority for regulated activity in relation to mortgages and home financing. Together with a strong governance process, using a three

lines of defence organisation and group risk and compliance committees, the Board receives regular information in respect of the regulatory landscape at the Company. Information received includes measures of the regulatory risk profile as well as the identification of new and emerging risks. The compliance function participates in the identification of applicable laws, rules and regulations and oversees the implementation and maintenance of relevant prevention, detection and management procedures. The compliance team has a key role in helping the Company achieve the right conduct outcomes. During the year the Company, with oversight from the Risk Committee, undertook several thematic reviews to enhance the compliance posture, including a third-party regulatory review which demonstrated effective controls. The Risk Committee reviews the risk register on a regular basis seeking to ensure that the business is taking appropriate steps to mitigate key risks and issues.

It is the opinion of the Directors that, other than the aforementioned examples, the systematic risk that exists in the financial sector is the only other risk to consider.

**Section 172(1) Statement**

The Directors of the company, as those of all UK companies, confirm they must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006, which is summarised as follows:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long-term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with clients, suppliers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the Company.

The Directors confirm, the implementation of the corporate strategy is considered within the context of the long-term success of the business. Strategic management decisions are assessed and reviewed, as necessary, to ensure they continue to align themselves with the evolving long-term direction of the business. On this basis, the Directors believe both the Company and other stakeholders, including employees, clients and others, benefit from the best results and outcomes.

The Company's employees are its greatest asset, and the Directors recognise the importance of the contribution they make to the success of the business. Retention and recruitment of the highest calibre of employees is therefore a key focus for the business. The positive wellbeing in the working environment and the health of the staff are key focuses of the Company. All employees have access to a range of benefits, such as private health care, income protection insurance and the cycle to work scheme. The executive management team endeavours to provide a positive and productive working environment for all, one that best facilitates the highest standard of working practices.

Maintaining positive client relationships is at the core of the business, with it comes trust in our people and faith in our services, and therefore it is critical to the success of the Company. As an FCA-regulated business, treating the customer fairly and maintaining high standards of business conduct are core

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## Hey Habito Ltd

### Strategic Report for the year ended 31 January 2021

values of the Company. The business ensures that it continues to offer services which suit the needs of its clients. There are processes in place for customer complaint handling and dispute resolution. Furthermore, staff are given regular training on business conduct.

As a successful business, we feel a responsibility to act in a socially and environmentally positive manner. The business has supported a number of charitable causes within the year and has ongoing philanthropic relationships. Additionally, the Company has made a commitment to support employees with their charitable endeavours.

This report was approved by the board on 20 April 2022 and signed on its behalf by:

  
Daniel Pressburg (Apr 20, 2022 11:45 CDT)

**D Pressburg**  
Director

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## Hey Habito Ltd

### Directors' Report for the year ended 31 January 2021

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The Directors present their Annual Report and the audited Financial Statements for Hey Habito Ltd (the "Company") for the year ended 31 January 2021.

#### Future Outlook

The COVID-19 pandemic has had repercussions across the global economy and the UK has been no exception. The Company has created a number of financial forecasts that incorporate scenarios such as further lockdowns and government measures. The Company is comfortable with its planned growth projections but continues to monitor the UK economy closely in order to mitigate any further material changes.

#### Financial risk management

The Company reviews its approach to the management of credit, liquidity and other related risks in the Strategic Report.

#### Going Concern

The Directors have prepared the financial statements on the going concern basis. The Directors have considered a number of factors including financial forecasts for the Company and its capital and funding position, as well as the macro environment, and in particular the Company's ability to meet its financial obligations in a timely manner. Based on these assessments and having regard to the resources available to the Company along with the need for further planned capital injections, the Directors acknowledge that these events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern, and therefore that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have taken the following steps to ensure that their concerns are sufficiently mitigated to enable them to prepare the financial statements on a going concern basis. Cash flow projections and financial forecasts have been prepared for consideration by the Directors for a period of 12 months from the date of signing these financial statements, which indicate that, taking into account reasonably possible downsides and the further capital injections required, the Company will have sufficient funds through funding from its investors, to meet its liabilities as they fall due for that period.

The Directors note that the Company expects to receive the financing required for these plans, primarily as a result of the third tranche of the Series D funding and/or other fundraising activity. As with any company placing reliance on its investors for financial support, the Directors acknowledge that there can be no certainty that this support will continue. These financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

#### Results and dividends

The loss for the year, after taxation, amounted to £11,376,225 (2020: loss £22,269,940). The Company made no political donations and paid no dividends in the current and previous financial year.

#### Events after the reporting date

In March 2021 Habito launched its own residential mortgage product named 'Habito One', it allows the customer to fix their interest rate for up to 40 years. Habito expects this product to increase its presence as a lender and reinforce its reputation as an innovative problem solver in the mortgage sector.

In April 2021 Habito drew down a second tranche of venture debt as planned to further support its growth plans.

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**Hey Habito Ltd****Directors' Report for the year ended 31 January 2021**

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In December 2021, the Company completed a Series D equity funding round, with the first tranche of £3.9m received in December 2021 and £0.1m in January 2022. A second tranche of £2.3m was received in February and March 2022.

**Directors**


The Directors who served during the year were:

T R Coppel  
D Pressburg  
M Malka  
N F Wass

**Auditor**

The auditors, BDO 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 by:

  
Daniel Pressburg (Apr 20, 2022 11:45 CDT)

**D Pressburg**  
Director

Date: 20 April 2022

**Statement of Directors' Responsibilities for the year ended 31 January 2021**

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The Directors are responsible for preparing the Strategic Report, the Directors Report and the Financial Statements in accordance with applicable law and regulations.

The Companies Act 2006 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 United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK GAAP have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare a Directors' report and Strategic report which comply with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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## Hey Habito Ltd

### Independent Auditors' Report to the Shareholders of Hey Habito Ltd

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#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2021 and of its 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.

We have audited the financial statements of Hey Habito Ltd ("the Company") for the year ended 31 January 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

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.

#### Material uncertainty related to going concern

We draw attention to Note 2.2 of the financial statements, which indicates that the ability of the Company to continue as a going concern is dependent on further capital injections from investors which have not been committed. As stated in Note 2.2, these events and conditions, along with other matters set out in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of the matter.

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.

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

#### Other information

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

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## **Hey Habito Ltd**

### **Independent Auditors' Report to the Shareholders of Hey Habito Ltd**

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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.

#### **Other Companies Act 2006 reporting**

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

- the information given in the 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 Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the 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.

**Independent Auditors' Report to the Shareholders of Hey Habito Ltd**

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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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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

We gained an understanding of the legal and regulatory framework applicable to the Company and industry in which the Company operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, Financial Conduct Authority ("FCA") regulations and tax legislation.

We focused on laws and regulations that could give rise to a material misstatement in the Company's financial statements and the susceptibility of the Company's financial statements to material misstatements including fraud. Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- enquiries of management and those charged with governance;
- review of legal and regulatory correspondence;
- review of minutes or Board meeting minutes throughout the period;
- in addressing the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; and
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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
**Hey Habito Ltd****Independent Auditors' Report to the Shareholders of Hey Habito Ltd**

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

**Use of our report**

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

DocuSigned by:  
  
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Matthew Hopkins (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

25 April 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Hey Habito Ltd

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### Statement of Comprehensive Income for year ended 31 January 2021

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		2021	2020
	Note	£	£
Turnover	4	6,556,549	5,115,908
Cost of Sales		(1,400,856)	(264,392)
Administrative expense		(18,442,556)	(27,471,046)
<b>Operating loss</b>	5	<b>(13,286,863)</b>	<b>(22,619,530)</b>
Other income	9	469,500	-
Interest receivable and similar income	9	1,720	15,928
Interest payable and similar expense	10	(627,522)	(354,980)
<b>Loss before tax</b>		<b>(13,443,165)</b>	<b>(22,958,582)</b>
Tax on loss	11	2,066,940	688,642
<b>Loss and total comprehensive loss for the financial year</b>		<b>(11,376,225)</b>	<b>(22,269,940)</b>

There were no other items and comprehensive income for the current year (2020: £nil) other than included in the Statement of Comprehensive Income shown above.

All amounts relate to continuing activities.

The notes on pages 18 to 35 form part of these financial statements.


Hey Habito Ltd  
Registered number: 09384953

Statement of Financial Position at 31 January 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	25,453	60,356
Tangible assets	13	296,796	619,342
		<u>322,249</u>	<u>679,698</u>
<b>Current assets</b>			
Debtors	14	2,731,505	2,311,222
Cash at bank and in hand	15	11,403,745	4,713,765
		<u>14,135,250</u>	<u>7,024,987</u>
Creditors: amounts falling due within one year	16	(2,906,060)	(3,328,142)
<b>Net current assets</b>		<u>11,229,190</u>	<u>3,696,845</u>
<b>Total assets less current liabilities</b>		<u>11,551,439</u>	<u>4,376,543</u>
Creditors: amounts falling due after more than one year	17	(17,149,008)	-
<b>Net (liabilities)/ assets</b>		<u>(5,597,570)</u>	<u>4,376,543</u>
<b>Capital and reserves</b>			
Called up share capital	19	2	1
Share premium account	20	49,229,833	48,213,918
Other reserves	20	1,097,806	711,609
Profit and loss account	20	(55,925,211)	(44,548,985)
		<u>(5,597,570)</u>	<u>4,376,543</u>

The notes on pages 18 to 35 form part of these financial statements.

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf by:

  
Daniel Pressburg (Apr 20, 2022 11:45 CDT)

D Pressburg  
Director

Date: 20 April 2022

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**Hey Habito Ltd****Statement of Changes in Equity for the year ended 31 January 2021**

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	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
<b>At 1 February 2019</b>	-	<b>26,576,940</b>	<b>438,614</b>	<b>(22,279,046)</b>	<b>4,736,508</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(22,269,940)	(22,269,940)
Share based compensation (note 21)	-	-	272,995	-	272,995
Shares issued during the year	1	21,636,978	-	-	21,636,979
<b>At 1 February 2020</b>	<b>1</b>	<b>48,213,918</b>	<b>711,609</b>	<b>(44,548,986)</b>	<b>4,376,543</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(11,376,225)	(11,376,225)
Share based compensation (note 21)	-	-	386,197	-	386,197
Shares issued during the year	1	1,015,915	-	-	1,015,916
<b>At 31 January 2021</b>	<b>2</b>	<b>49,229,833</b>	<b>1,097,806</b>	<b>(55,925,211)</b>	<b>(5,597,570)</b>

The notes on pages 18 to 35 form part of these financial statements.

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**Hey Habito Ltd****Statement of Cash Flows for year ended 31 January 2021**

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	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Loss for the financial year		(11,376,225)	(22,269,940)
<b>Adjustments for:</b>			
Amortisation of intangible assets	12	34,904	42,435
Depreciation of tangible assets	13	347,487	386,396
Share based compensation	21	386,197	272,995
Interest accrued	10	627,522	354,980
Interest received	9	(1,720)	(15,928)
Taxation charge	11	(2,066,940)	(688,642)
Tax received		1,891,154	-
Increase in debtors	14	(244,497)	(424,751)
Decrease in creditors	16	(422,082)	(8,558,301)
<b>Net cash used in operating activities</b>		<b>(10,824,201)</b>	<b>(30,900,756)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	12	-	(6,151)
Purchase of tangible fixed assets	13	(24,941)	(418,770)
Interest received	9	1,720	15,928
<b>Net cash generated from/(used in) investing activities</b>		<b>(23,221)</b>	<b>(408,993)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	19	1,015,916	10,809,380
Conversion of Loan note	17	-	10,827,598
Increase in borrowings	17	17,149,008	-
Interest accrued	10	(627,522)	(354,980)
<b>Cash generated from financing activities</b>		<b>17,537,402</b>	<b>21,281,998</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>6,689,980</b>	<b>(10,027,752)</b>
Cash and cash equivalents at beginning of year		4,713,765	14,741,517
<b>Cash and cash equivalents at the end of year</b>	15	<b>11,403,745</b>	<b>4,713,765</b>

The notes on pages 18 to 35 form part of these financial statements.

**Notes to the Financial Statements for the year ended 31 January 2021**

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**1. General information**

Hey Habito Ltd is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Throgmorton UK Ltd, 4th Floor, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS.

The Company's principal activities are detailed in the Directors' Report.

**2. Accounting policies**

**2.1 Basis of preparation**

The Financial Statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

**2.2 Going Concern**

The Directors have prepared the financial statements on the going concern basis. The Directors have considered a number of factors including financial forecasts for the Company and its capital and funding position, as well as the macro environment, and in particular the Company's ability to meet its financial obligations in a timely manner. Based on these assessments and having regard to the resources available to the Company along with the need for further planned capital injections, the Directors acknowledge that these events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern, and therefore that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have taken the following steps to ensure that their concerns are sufficiently mitigated to enable them to prepare the financial statements on a going concern basis. Cash flow projections and financial forecasts have been prepared for consideration by the Directors for a period of 12 months from the date of signing these financial statements, which indicate that, taking into account reasonably possible downsides and the further capital injections required, the Company will have sufficient funds through funding from its investors, to meet its liabilities as they fall due for that period.

The Directors note that the Company expects to receive the financing required for these plans, primarily as a result of the third tranche of the Series D funding and/or other fundraising activity. As with any company placing reliance on its investors for financial support, the Directors acknowledge that there can be no certainty that this support will continue. These financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

**2.3 COVID-19**

On 11 March 2020 COVID-19 was declared a pandemic and the UK Government advised that all employees, who were not key workers, should work from home where possible. The Company had already adopted working from home practices before the pandemic and has continued to accommodate the Government mandate for all its employees. Customers have seamlessly been

**Notes to the Financial Statements for the year ended 31 January 2021**

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serviced remotely in an efficient and compliant manner. The Board remains vigilant of the marketplace in which it operates, especially that surrounding the challenging house purchase market. During COVID-19 the Company has been able to maintain a full whole of market, fee free advice proposition and serve customers across all types of mortgage products.

The Company has taken measures to reduce its cost base during the pandemic including the use of the Government's Coronavirus Job Retention Scheme (CJRS). The use of CJRS was used in line with volume levels to allow the Company to maintain full operational capability, improve productivity, meet its regulatory requirements, and remain in the best possible position when the recovery starts. The Company has prepared multiple financial scenarios including a COVID-19 stressed financial projection. This has been thoroughly reviewed and challenged by the board. The Company has adequate reserves and enough cash resources to enable it to trade for more than 12 months from the date of approval of these financial statements.

**2.4 Turnover**

Turnover for Brokerage and Lending represents fees and commission receivable for services provided, recognised on completed transactions in the period that a transaction completes, together with invoiced values to external customers for goods and services provided.

Habito Plus is a product the Company launched in early 2020 and offers the complete home buying service for its customers including organising legal costs and surveys. Habito charges a fee for this service where revenues and costs are recognised upon signing of a customer contract and a deposit is received. Revenue is recognised based on historical completion rates of mortgage loans facilitated through Habito.

All revenue arose from activities within the UK.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost, and subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	- 33% straight line
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**2.6 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.

**Notes to the Financial Statements for the year ended 31 January 2021**

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Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	- 50% straight line
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 33% straight line

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 Statement of Comprehensive Income.

**2.7 Operating leases**

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

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.9 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 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 Company's cash management.

**2.10 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 effective interest method.

**2.11 Financial instruments**

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

**Notes to the Financial Statements for the year ended 31 January 2021**

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Financial assets that are measured at 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 Statement of Comprehensive Income.

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 effective interest rate.

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.

**2.12 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**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 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 and all other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

**2.13 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective 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.

#### **2.14 Pensions**

##### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

#### **2.15 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

#### **2.16 Research and development**

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 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, which range from 3 to 6 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.

Notes to the Financial Statements for the year ended 31 January 2021

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**2.17 Share based payments**

Equity-settled share-based payments are issued to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restriction, and behavioural considerations.

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

The preparation of the financial statements requires the use of accounting estimates and assumptions. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The judgements and estimates involved in the Company's accounting policies that are considered to be most important to the portrayal of the Company's financial condition are disclosed below.

Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The key assumptions to this model are a weighted average share price of £0.55 (2020: £0.42), an exercise price of £0.000000001 (2020: £0.000000001) and a weighted average contractual life of 1 years (2020: 2.1 years). The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restriction and behavioural considerations.

Recognition of a research and development (R&D) tax credit

A tax credit in respect of qualifying R&D expenditure has been recognised in the financial statements, in accordance with the Research and Development Tax Relief ("R&DTR") under Part 13 of Corporation Tax Act 2009 ("CTA2009"). It is the directors' judgement that the R&D expenditure forming part of this credit can be reliably measured and was incurred in the course of qualifying R&D activities undertaken by the Company.

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**Hey Habito Ltd****Notes to the Financial Statements for the year ended 31 January 2021**

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**4. Turnover**

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

	2021	2020
	£	£
Procuration fees	5,402,052	5,000,213
Services	1,092,020	49,194
Lending fees	23,652	1,907
Other	38,825	64,594
	<u>6,556,549</u>	<u>5,115,908</u>

All turnover arose in the United Kingdom.

**5. Operating loss**

The operating loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	347,487	386,396
Amortisation of intangible assets	34,904	42,435
Exchange differences	3,280	1,712
Other operating lease rentals	827,611	757,662
Defined contribution pension cost	175,602	280,063
Fees payable to the Company's auditor for the audit of the Company's accounts	46,000	28,000
	<u>1,434,886</u>	<u>1,496,268</u>

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**Hey Habito Ltd****Notes to the Financial Statements for the year ended 31 January 2021**

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**6. Employees**

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

	2021	2020
	£	£
Wages and salaries	9,455,749	10,974,903
Social security costs	1,027,904	1,230,095
Pension costs	175,602	280,063
	<u>10,659,255</u>	<u>12,485,061</u>

The average monthly number of employees, including Directors, during the year was 156 (2020 - 171).

**7. Directors' remuneration**

	2021	2020
	£	£
Directors' emoluments	152,500	149,045
Company contributions to defined contribution pension schemes	4,528	11,942
	<u>157,028</u>	<u>160,987</u>

The highest paid Director received remuneration of £152,500 (2020 - £149,045).

**8. Other income**

	2021	2020
	£	£
Coronavirus Job Retention Scheme (CJRS) income	469,500	-
	<u>469,500</u>	<u>-</u>

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**Hey Habito Ltd****Notes to the Financial Statements for the year ended 31 January 2021**

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**9. Interest receivable and similar income**

	2021	2020
	£	£
Other interest receivable	1,720	15,928
	<u>1,720</u>	<u>15,928</u>

**10. Interest payable and similar expenses**

	2021	2020
	£	£
Interest accrued on convertible loan notes	627,522	354,980
	<u>627,522</u>	<u>354,980</u>

**11. Taxation**

	2021	2020
	£	£
<b>Corporation tax</b>		
Adjustment in respect of prior period	(1,202,512)	(688,642)
R&D tax credit	(864,428)	-
<b>Total current tax</b>	<u>(2,066,940)</u>	<u>(688,642)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(2,066,940)</u>	<u>(688,642)</u>

**Notes to the Financial Statements for the year ended 31 January 2021**

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**Factors affecting tax charge for the year**

The charge for the year can be reconciled to the loss per the Statement of Comprehensive Income as follows:

	2021	2020
	£	£
Loss on ordinary activities before tax	(13,443,165)	(22,958,582)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(2,554,201)	(4,362,131)
<b>Effects of:</b>		
Expenses not deductible	90,298	192,531
Capital allowances and other timing differences	46,012	(126,750)
Adjustment in respect of prior period	(1,202,512)	(688,642)
Additional deduction for R&D costs	(640,221)	-
Surrender of tax losses for R&D credit	268,271	-
Deferred tax not provided and other costs	1,925,413	4,296,350
<b>Total tax charge for the year</b>	<b>(2,066,940)</b>	<b>(688,642)</b>

The total deferred tax asset not recognised in the financial statements at 31 January 2021 is £9,134,570.

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as result deferred tax balances as at 31 January 2021 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended rate the impact to the closing deferred tax position would be to increase the deferred tax asset by £2,884,601.

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**Hey Habito Ltd****Notes to the Financial Statements for the year ended 31 January 2021**

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**12. Intangible assets**

	Software £
<b>Cost</b>	
At 1 February 2020	130,346
Additions	-
At 31 January 2021	<u>130,346</u>
<b>Amortisation</b>	
At 1 February 2020	69,990
Charge for the year	34,904
At 31 January 2021	<u>104,894</u>
<b>Net book value</b>	
At 31 January 2020	<u>60,356</u>
At 31 January 2021	<u>25,452</u>

**Notes to the Financial Statements for the year ended 31 January 2021**

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**13. Tangible fixed assets**

	Long-term leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 February 2020	424,113	279,271	538,244	1,241,628
Additions	-	4,277	20,664	24,941
Disposals	-	-	-	-
At 31 January 2021	<u>424,113</u>	<u>283,548</u>	<u>558,908</u>	<u>1,266,569</u>
<b>Depreciation</b>				
At 1 February 2020	269,288	91,029	261,969	622,286
Charge for the year	145,087	47,800	154,600	347,487
At 31 January 2021	<u>414,375</u>	<u>138,829</u>	<u>416,569</u>	<u>969,773</u>
<b>Net book value</b>				
At 31 January 2020	<u>154,825</u>	<u>188,242</u>	<u>276,275</u>	<u>619,342</u>
At 31 January 2021	<u>9,738</u>	<u>144,719</u>	<u>142,339</u>	<u>296,796</u>

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**Hey Habito Ltd****Notes to the Financial Statements for the year ended 31 January 2021**

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**14. Debtors**

	2021	2020
	£	£
Prepayments and accrued income	1,264,296	1,026,262
Tax receivable	864,428	688,642
Other debtors	602,781	596,318
	<u>2,731,505</u>	<u>2,311,222</u>

Included within other debtors are rent deposits for £490,351 (2020: £490,351), of which £314,635 is due after more than one year.

**15. Cash and cash equivalents**

	2021	2020
	£	£
Cash at bank and in hand	11,403,745	4,713,765
	<u>11,403,745</u>	<u>4,713,765</u>

**16. Creditors: amounts falling due within one year**

	2021	2020
	£	£
Trade creditors	706,370	319,367
Other taxation and social security	315,990	403,199
Other creditors	960,508	1,800,096
Accruals and deferred income	923,192	805,480
	<u>2,906,060</u>	<u>3,328,142</u>

**Notes to the Financial Statements for the year ended 31 January 2021**

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**17. Creditors: amounts falling due after more than one year**

	2021	2020
	£	£
Loan notes	17,149,008	-
	<u>17,149,008</u>	<u>-</u>

During the year, the Company entered a loan facility of up to £7m, of which £3m was drawn down at the reporting date. The loan carries an interest rate of 9.5%, with a maturity date of 30 April 2024.

In addition, the Company received a convertible loan note of £13.6m, including £5m from the government's Future Fund, as part of the Series C fundraising completed in the year. The loan note bears an interest rate of 8.0% which is capitalised on to the loan note, and the total balance will convert into equity at an eligible conversion date, as discussed in further detail in the Strategic report.

**18. Financial instruments**

	2021	2020
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	1,280,939	1,177,667
	<u>1,280,939</u>	<u>1,177,667</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(18,833,011)	(1,242,309)
	<u>(18,833,011)</u>	<u>(1,242,309)</u>

Financial assets measured at amortised cost comprise debtors excluding prepayments.

Financial liabilities measured at amortised cost comprise creditors excluding other taxation and social security costs.

**Hey Habito Ltd**

**Notes to the Financial Statements for the year ended 31 January 2021**

**19. Share capital**

	2021	2020
	£	£
<b>Allotted, called up and fully paid</b>		
9,212,000 (2020: 9,212,000) Series A Preferred shares of £0.000000001 (2020: £0.000000001) each	-	-
12,065,438 (2020: 11,968,107) Ordinary shares of £0.000000001 (2020: £0.000000001) each	-	-
4,553,000 (2020: 4,553,000) Seed Preferred shares of £0.000000001 (2020: £0.000000001) each	-	-
8,800,000 (2020: 8,800,000) Series B Preferred shares of £0.000000001 (2020: £0.000000001) each	-	-
9,523,838 (2020: 9,137,156) Series C Preferred shares of £0.000000001 (2020: £0.000000001) each	-	-
	-	-
	-	-

	Nominal	Number of Ordinary shares	Number of Series seed preferred shares	Number of Series A preferred shares	Number of Series B Preferred shares	Number of Series C Preferred Shares	Share Capital
	£	No.	No.	No.	No.	No.	£
<b>As at 31 January 2020</b>	0.000000001	11,968,107	4,553,000	9,212,000	8,800,000	9,137,156	1
Options exercised	0.000000001	102,023	-	-	-	386,682	1
<b>As at 31 January 2021</b>	0.000000001	12,070,130	4,553,000	9,212,000	8,800,000	9,523,838	2

All shares in issue have equal voting rights.

**20. Reserves**

**Share premium account**

Share premium reserve records the amount above nominal value received for shares issued by the Company. Share premium may only be utilised to write-off any expenses incurred, or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

**Other reserves**

Other reserves comprise share-based compensation.

**Profit and loss account**

The Profit and loss account consists of all current and prior period retained profits and losses after deducting any distributions made to the Company's shareholders.

**21. Share based payments**

The Company has adopted a share option scheme which is compliant with HMRC's Enterprise Management Incentives scheme rules. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restriction and behavioural considerations.

	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)	Number
	2021	2021	2020	2020
Outstanding at the beginning of the year	0.000000001	2,337,976	0.000000001	2,721,194
Granted during the year	0.000000001	856,083	0.000000001	161,002
Cancelled during the year	0.000000001	(267,140)	0.000000001	(291,269)
Exercised during the year	0.000000001	(102,023)	0.000000001	(252,951)
<b>Outstanding at the end of the year</b>	<b>0.000000001</b>	<b>2,824,896</b>	<b>0.000000001</b>	<b>2,337,976</b>

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**Hey Habito Ltd****Notes to the Financial Statements for the year ended 31 January 2021**

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The main inputs to the model are a weighted average share price of £0.55 (2020: £0.42), an exercise price of £0.000000001 (2020: £0.000000001) and a weighted average contractual life of 1 years (2020: 2.1 years).

	2021	2020
	£	£
Charge for the period	386,197	272,995
	<u>386,197</u>	<u>272,995</u>

**22. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £175,602 (2020: £280,063). Contributions totalling £51,548 (2020: £114,973) were payable to the fund at the reporting date.

**23. Commitments under operating leases**

At 31 January 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
No later than 1 year	597,608	817,253
Later than 1 year and not later than 5 years	699,191	1,906,924
	<u>1,296,799</u>	<u>2,724,177</u>

**Notes to the Financial Statements for the year ended 31 January 2021**

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**24. Related party transactions**

There were no related party transactions during the year.

**25. Controlling party**

In the opinion of the Directors there is no ultimate controlling party of the Company.

**26. Events after the reporting date**

In March 2021 the Company announced its new product called 'Habito One'. This mortgage product allows customers to fix their mortgage payment for a period from 10-40 years. By adding a second mortgage offering, Habito is increasing its presence in the lending space, with an innovative product that is projected to give buyers more security, whilst maintaining the flexibility and freedom of zero fees if redeeming early.

The Company also drew down a second tranche of venture debt from Bootstrap Europe in April 2021.

In December 2021, the Company completed a Series D equity funding round, with the first tranche of £3.9m received in December 2021 and £0.1m in January 2022. A second tranche of £2.3m was received in February and March 2022.

**27. Subsidiaries**

<b>Name of Entity</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Class of Shares</b>	<b>% of ownership 31.01.2021</b>
Habito Go Funding No.1 Limited	Throgmorton UK Ltd, 4 <sup>th</sup> Floor, Reading, Bridge House, George Street, Reading, Berkshire, RG1 8LS	Holding company	Ordinary	100%
Habito Plus Limited	Throgmorton UK Ltd, 4 <sup>th</sup> Floor, Reading, Bridge House, George Street, Reading, Berkshire, RG1 8LS	Conveyancing	Ordinary	100%