

Hi Bob Limited

Registered number: 09787994

Annual report

For the year ended 31 December 2022

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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

Accountants

Mazars
Chartered Accountants & Statutory Audit Firm
Mayoralty House
Flood Street
Galway
Ireland
H91 PRPR

HI BOB LIMITED

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HI BOB LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 ended 31 December 2022.

Business review and key performance indicators

During the year Hi Bob Limited expanded its geographical area by establishing a new subsidiary in Portugal. The Company has subsidiaries as of 31 December 2022 in the UK, Israel, USA, Netherlands, Australia, Germany, and Portugal.

The year ended 31 December 2022 represented a year of significant growth for the Group. The revenues of the Group increased by 137% to \$66.9m (2021 - \$28.2m) mainly as a result of the increase in the number of customers. The gross margin of the Group decreased by 2% to 70% (2021 - 72%) and the operating loss increased by 19% to -111% (2021 - -92%).

At 31 December 2022 the net assets of the Group were \$282.8m (2021 - \$189.4m), the increase is mainly due to Investment Round C1 (\$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.

HI BOB LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors duties

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests when making decisions, including the impact of its activities on the community, environment and the company's reputation.

Acting in good faith and fairly, the directors consider what is most likely to promote the success of the group for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, this explains in more detail this year how the Board engages with stakeholders and setting out how directors have discharged this duty.

All directors are aware of their statutory duties and on appointment to the Board, new directors are given opportunity to meet key stakeholders. The Board will continue to keep engagement methods under review to ensure that they remain effective. The following key points are important in the assessment of the compliance with the requirements of the s172 Statement:

Ahead of all Board meetings, the directors are supplied with papers which highlight relevant stakeholder considerations and other factors considered relevant to the matter under consideration. The directors are in close contact with the senior management teams across the subsidiary businesses allowing good communication and feedback at a local level.

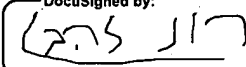
The Board regularly considers the principal stakeholders and how they engage with them. The Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The long term strategy of the group is monitored regularly to ensure this aligns with the vision of the group as a whole. The resulting assessment of future development helps inform the Board's decision making and the balance between short term and long term measures and actions.

The Board continues to enhance its methods of engagement with the workforce through regular internal communications which are delivered by the management teams.

The group's policies on a wide range of business and ethics related practices are regularly reviewed and updated as necessary so as to ensure continued compliance with legal and regulatory requirements and good industry practice. The Board monitor the group's policies through the ordinary course of business to ensure the policies are being adhered to.

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

DocuSigned by:

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R Zehavi
Director

Date: September 26, 2023

HI BOB LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and the financial statements for the year ended 31 December 2022.

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 \$74,715,397 (2021 - \$25,619,674).

There were no dividends declared or paid during the year (2021 - \$Nil).

Directors

The Directors who served during the year were:

A R Fisher
D Hebel
H Klein
A J Levy
S R Tobin
D O Wodak
R Zehavi

HI BOB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of 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

In May 2023, the group approved capital investments in the share capital of Hi Bob Israel in an aggregate amount equal to US\$ 83,230,629, that has been invested during the year 2022, in exchange for issuance to the parent company of 29,289 Ordinary Shares of Hibob IL at a price per share of NIS 10,000.

In September 2023, the group entered into Round D Investment agreement, according to which the group committed to issue 44,491,902 Series D Preferred Shares of £ 0.00001 par value each for the total consideration of \$ 150,000,000.

HI BOB LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022.

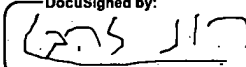
Accordingly, the financial statements have been prepared on a going concern basis.

Auditor

The auditor, Mazars, 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.

R Zehavi
Director

DocuSigned by:

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Date: September 26, 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 2022 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's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 the 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.

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

We have nothing to report in this regard.

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 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.

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 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 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 the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent company, and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the employment regulation, health and safety regulation and anti-money laundering regulation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

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 were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

HI BOB LIMITED

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

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our 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.

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.

Austin Sammon

Austin Sammon (Senior statutory auditor)

for and on behalf of

Mazars

Chartered Accountants and Statutory Auditor

Mayoralty House

Flood Street

Galway

H91 P8PR

26 September 2023

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Turnover	4	66,881,025	28,243,750
Cost of sales		(19,941,364)	(7,773,794)
Gross profit		<u>46,939,661</u>	<u>20,469,956</u>
Administrative expenses		(121,076,096)	(46,473,528)
Other operating income/(expense)	5	(1,849)	4,207
Operating loss	6	<u>(74,138,284)</u>	<u>(25,999,365)</u>
Profit/(loss) on financial instruments	26	(1,097,737)	288,901
Interest receivable and similar income	10	1,080,622	90,840
Interest payable and similar expenses	11	(69,560)	(50)
Loss before taxation		<u>(74,224,959)</u>	<u>(25,619,674)</u>
Tax on loss	12	(490,438)	-
Loss for the financial year		<u>(74,715,397)</u>	<u>(25,619,674)</u>
Other comprehensive loss:			
Changes in fair value of Hedging Forward Transactions		(270,251)	-
Total comprehensive loss for the year		<u><u>(74,985,648)</u></u>	<u><u>(25,619,674)</u></u>

The notes on pages 20 to 41 form part of these financial statements.

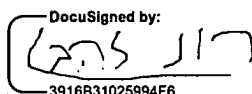
HI BOB LIMITED
REGISTERED NUMBER: 09787994

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Fixed Assets			
Intangible fixed assets	13	5,509,980	2,108,842
Tangible fixed assets	14	3,937,855	1,454,395
Financial assets	15	85,754,297	-
		<u>95,202,132</u>	<u>3,563,237</u>
Current assets			
Debtors due after more than 1 year	16	1,696,799	472,895
Debtors due within 1 year	16	14,080,532	7,425,568
Current asset investments	17	10,082,667	139,000,000
Cash and cash equivalents & restricted cash and deposits	18	183,669,751	55,236,185
		<u>209,529,749</u>	<u>202,134,648</u>
Creditors: amounts falling due within one year	19	(21,322,348)	(16,251,290)
		<u>188,207,401</u>	<u>185,883,358</u>
Net Current assets		<u>188,207,401</u>	<u>185,883,358</u>
Total assets less current liabilities		<u>283,409,533</u>	<u>189,446,595</u>
Creditors: amounts falling due after more than one year	19	(563,309)	-
Net assets		<u>282,846,224</u>	<u>189,446,595</u>
Capital and reserves			
Called up share capital	21	7,308	8
Share premium account	22	424,082,980	273,971,650
Foreign exchange reserve	22	658,395	658,395
Share option reserve	22	21,511,197	3,244,550
Accumulated other comprehensive loss	22	(270,251)	-
Profit and loss account	22	(163,143,405)	(88,428,008)
Equity attributable to owners of the Parent Company		<u>282,846,224</u>	<u>189,446,595</u>

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

R Zehavi
Director

DocuSigned by:

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Date: September 26, 2023

The notes on pages 20 to 41 form part of these financial statements.

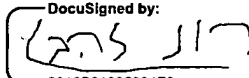
HI BOB LIMITED
REGISTERED NUMBER: 09787994

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Fixed Assets			
Financial assets	15	282,462,142	95,188,175
Current assets			
Debtors	16	254,199	22,017
Current asset investments	17	-	139,000,000
Cash and cash equivalents & restricted cash and deposits	18	158,068,525	39,856,589
		<u>158,322,724</u>	<u>178,878,606</u>
Creditors: amounts falling due within one year	19	(258,563)	(56,433)
Net Current assets		<u>158,064,161</u>	<u>178,822,173</u>
Total assets less current liabilities		440,526,303	274,010,348
Net assets		<u>440,526,303</u>	<u>274,010,348</u>
Capital and reserves			
Called up share capital	21	7,308	8
Share premium account	22	424,082,980	273,971,650
Foreign exchange reserve	22	770,055	770,055
Share option reserve	22	21,511,197	3,244,550
Profit and loss account	22	(5,845,237)	(3,975,915)
		<u>440,526,303</u>	<u>274,010,348</u>

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

R Zehavi
Director

DocuSigned by:

3916B31025994F6...

Date: September 26, 2023

The notes on pages 20 to 41 form part of these financial statements.

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up Share Capital	Share Premium Account	Foreign Exchange reserve	Share option reserves	Profit and Loss account	Accumulat ed other comprehen sive loss	Equity attributable to owners of the parent	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2022	8	273,971,650	658,395	3,244,550	(88,428,008)	-	189,446,595	189,446,595
Comprehensive loss for the year								
Loss for the year	-	-	-	-	(74,715,397)	-	(74,715,397)	(74,715,397)
Other comprehensive loss for the year	-	-	-	-	-	(270,251)	(270,251)	(270,251)
Total comprehensive loss for the year	-	-	-	-	(74,715,397)	(270,251)	(74,985,648)	(74,985,648)
Shares issued during the year, net of issue costs	498	149,874,001	-	-	-	-	149,874,499	149,874,499
Exercise of options	9	244,122	-	-	-	-	244,131	244,131
Bonus issue and stock split.	6,793	(6,793)	-	-	-	-	-	-
Share based compensation (note 23)	-	-	-	18,266,647	-	-	18,266,647	18,266,647
Total transactions with owners	7,300	150,111,330	-	18,266,647	-	-	168,385,277	168,385,277
At 31 December 2022	7,308	424,082,980	658,395	21,511,197	(163,143,405)	(270,251)	282,846,224	282,846,224

The notes on pages 20 to 41 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 \$	Accumulate d other comprehen sive loss \$	Equity attributable to owners of the parent \$	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	-	-	-	-	(25,619,674)	-	(25,619,674)	(25,619,674)
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 20 to 41 form part of these financial statements.

HI BOB LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up Share Capital	Share Premium Account	Foreign Exchange reserve	Share option reserves	Profit and Loss account	Total Equity
	\$	\$	\$	\$	\$	\$
At 1 January 2022	8	273,971,650	770,055	3,244,550	(3,975,915)	274,010,348
Comprehensive loss for the year						
Loss for the year	-	-	-	-	(1,869,322)	(1,869,322)
Total comprehensive loss for the year	-	-	-	-	(1,869,322)	(1,869,322)
Shares issued during the year, net of issue costs	498	149,874,001	-	-	-	149,874,499
Exercise of options	9	244,122	-	-	-	244,131
Bonus issue and stock split	6,793	(6,793)	-	-	-	-
Share based compensation (note 23)	-	-	-	18,266,647	-	18,266,647
Total transactions with owners	7,300	150,111,330	-	18,266,647	-	168,385,277
At 31 December 2022	7,308	424,082,980	770,055	21,511,197	(5,845,237)	440,526,303

The notes on pages 20 to 41 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 reserves	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 20 to 41 form part of these financial statements.

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 \$	2021 \$
Cash flows from operating activities		
Loss for the financial year	(74,715,397)	(25,619,674)
Adjustments for:		
Amortisation of intangible fixed assets	1,041,862	298,525
Depreciation of tangible fixed assets	818,540	344,726
Accrued interest	(836,864)	50
Interest receivable	-	(90,840)
Increase in debtors	(7,878,868)	(4,293,700)
Increase in creditors	3,985,746	8,936,777
Share based compensation	18,194,647	1,967,068
Net cash used in operating activities	<u>(59,390,334)</u>	<u>(18,457,068)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(3,054,000)	(1,664,937)
Purchase of tangible fixed assets	(3,240,630)	(770,308)
Investment in marketable securities	(85,000,100)	-
Proceeds from (investment in) short-term deposits	129,000,000	(139,000,000)
Interest received	-	90,840
Net cash generated from (used in) investing activities	<u>37,705,270</u>	<u>(141,344,405)</u>
Cash flows from financing activities		
Issue of preferred shares	149,874,499	149,839,994
Exercise of options	244,131	147,363
Interest paid	-	(50)
Net cash generated from financing activities	<u>150,118,630</u>	<u>149,987,307</u>
Net (decrease)/increase in cash and cash equivalents	<u>128,433,566</u>	<u>(9,814,166)</u>
Cash and cash equivalents at beginning of year	55,236,185	65,050,351
Cash and cash equivalents at the end of year	<u><u>183,669,751</u></u>	<u><u>55,236,185</u></u>

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	183,669,751	55,236,185

The notes on pages 20 to 41 form part of these financial statements.

HI BOB LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(i) Analysis of net debt

	At 1 January 2022 \$	Cash flows \$	At 31 December 2022 \$
Cash at bank and in hand	55,236,185	128,433,566	183,669,751

The notes on pages 20 to 41 form part of these financial statements.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

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 2022**

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 2022.

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 (loss) except when deferred in other comprehensive income (loss) 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 Consolidated Statement of Comprehensive Income within 'administrative expenses'.

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 (loss).

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 Intangible assets

Technology

Technology is valued at cost including the estimated fair value of deferred consideration less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 6 years.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.8 Intangible assets (continued)

Goodwill

Purchased goodwill arising on the acquisition of a business represents the excess of the acquisition cost over the fair value of the identifiable net assets including other intangible fixed assets when they were acquired. Purchased goodwill is capitalised in the Statement of Financial Position and amortised on a straight line basis over its economic useful life of 6 years, which is estimated to be the period during which benefits are expected to arise. On disposal of a business any goodwill not yet amortised is included in determining the profit or loss on sale of the business.

Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

2.9 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.

2.10 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the straight line interest method (see note 2.20).

2.11 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.

2.12 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.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.13 Share based compensation

Where share options are awarded to employees, officers, consultants and directors of the Group, 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.

2.14 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income (loss) except that a charge attributable to an item of income and expense recognised as other comprehensive income (loss).

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.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.15 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 – 14.25 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.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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.

2.18 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.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially using effective interest rate, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.20 Financial instruments**

The Group 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, investments in marketable securities and investment in subsidiary companies.

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 or effective 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.

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

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the securities 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. Where the conditions for hedge accounting are not met, changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

For derivative instruments that hedge the exposure to variability in expected future cash flows, that are designated as cash flow hedge, changes in the fair value are recorded in accumulated other comprehensive income (loss) as a component of shareholders' equity in the consolidated statement of financial position until the forecasted transaction occurs. Upon occurrence, the Group reclassifies the related gains or losses on the derivative to the same financial statement line item in the consolidated statements of comprehensive income to which the derivative relates.

2.21 Business combinations

The Group accounts for business combinations. At the acquisition date, assets acquired and liabilities assumed are measured at their fair values as of that date. Any excess of the fair value of net assets acquired over purchase price is allocated to goodwill. Upon the end of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever occurs earlier, any subsequent adjustments would be recorded in the statement of comprehensive loss. Acquisition-related costs are recognized separately from the business combination and are expensed as incurred.

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:

Intangible fixed assets

Intangible fixed assets have been recorded in the statement of financial position as a result of acquisitions. Intangible assets are amortised over their estimated useful life on a straight-line basis. Estimated useful life is determined considering the period the assets are expected to contribute to future cash flows.

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 2022. Refer to note 15 of the financial statements.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgements in applying accounting policies (continued)**Share based compensation**

The Company operates an international share option plan for its group employees, officers, consultants and directors. 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:

	2022	2021
	\$	\$
Turnover	66,881,025	28,243,750
	<u>66,881,025</u>	<u>28,243,750</u>

Analysis of turnover by country of destination:

	2022	2021
	\$	\$
United Kingdom	22,995,744	11,276,337
Rest of Europe	15,532,406	6,082,167
Rest of the world	28,352,875	10,885,246
	<u>66,881,025</u>	<u>28,243,750</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022.**

5. Other operating income/(expense)

	2022	2021
	\$	\$
Government grants receivable	-	4,207
Loss on disposal of fixed assets	(1,849)	-
	<u>(1,849)</u>	<u>4,207</u>

6. Operating loss

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

	2022	2021
	\$	\$
Operating lease rentals	2,870,956	1,527,779
Exchange differences	1,127,207	205,297
Depreciation of tangible fixed assets	810,403	344,726
Amortisation of intangible fixed assets	1,041,765	298,525
	<u>1,041,765</u>	<u>298,525</u>

7. Auditor's remuneration

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

	2022	2021
	\$	\$
Fees payable to the Company's auditor for the audit of the consolidated and Parent Company's financial statements	63,806	60,813
All other services	34,132	46,509
	<u>34,132</u>	<u>46,509</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

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

	2022	2021
	\$	\$
Wages and salaries	73,228,690	34,506,679
Social security costs	5,129,537	2,400,882
Cost of defined contribution scheme	2,565,709	1,093,368
Share based compensation	18,266,647	1,967,068
	<u>99,190,583</u>	<u>39,967,997</u>

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

	2022	2021
	No.	No.
Employees	<u>576</u>	<u>248</u>

9. Directors' remuneration

	2022	2021
	\$	\$
Directors' remuneration	411,948	616,824
Pension Contributions	33,345	-
Share based compensation	8,024,985	18,264
	<u>8,470,278</u>	<u>635,088</u>

During the year retirement benefits were accruing to one Director (2021 - \$Nil) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of \$445,293 (2021 - \$616,824).

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest receivable and similar income

	2022	2021
	\$	\$
Other interest receivable	1,080,622	90,840

11. Interest payable and similar expenses

	2022	2021
	\$	\$
Bank interest payable	575	50
Other interest expense	68,985	-
	<u>69,560</u>	<u>50</u>

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

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	\$	\$
Loss on ordinary activities before tax	(74,224,959)	(25,619,674)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(14,102,742)	(4,867,738)
Effects of:		
Expenses not deductible for tax purposes	3,600,499	615,029
Temporary differences and losses for which deferred taxes were not recognized and others	10,992,681	4,252,709
Total tax charge for the year	<u>490,438</u>	<u>-</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The Group has trading losses of approximately \$113m (2021 - \$79m) 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 fixed assets
Group**

	Acquired Technology \$	Software Costs \$	Goodwill \$	Total \$
Cost				
At 1 January 2022	-	2,444,799	-	2,444,799
Additions	613,000	2,782,001	1,047,999	4,443,000
At 31 December 2022	<u>613,000</u>	<u>5,226,800</u>	<u>1,047,999</u>	<u>6,887,799</u>
Depreciation				
At 1 January 2022	-	335,957	-	335,957
Charge for the year	42,569	926,515	72,778	1,041,862
At 31 December 2022	<u>42,569</u>	<u>1,262,472</u>	<u>72,778</u>	<u>1,377,819</u>
Net book value				
At 31 December 2022	<u>570,431</u>	<u>3,964,328</u>	<u>975,221</u>	<u>5,509,980</u>
At 31 December 2021	<u>-</u>	<u>2,108,842</u>	<u>-</u>	<u>2,108,842</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets**Group**

	Leasehold improvements \$	Office furniture and equipment \$	Computer equipment \$	Electronic equipment \$	Total \$
Cost					
At 1 January 2022	699,770	424,537	1,168,614	185,950	2,478,871
Additions	1,439,796	338,130	1,057,855	458,082	3,293,863
At 31 December 2022	<u>2,139,566</u>	<u>762,667</u>	<u>2,226,469</u>	<u>644,032</u>	<u>5,772,734</u>
Depreciation					
At 1 January 2022	316,010	73,623	569,343	65,500	1,024,476
Charge for the year	238,780	38,579	464,932	68,112	810,403
At 31 December 2022	<u>554,790</u>	<u>112,202</u>	<u>1,034,275</u>	<u>133,612</u>	<u>1,834,879</u>
Net book value					
At 31 December 2022	<u>1,584,776</u>	<u>650,465</u>	<u>1,192,194</u>	<u>510,420</u>	<u>3,937,855</u>
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>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Financial assets				
Group				Other Financial assets \$
Cost				
At 1 January 2022				-
Additions				85,754,297
At 31 December 2022				<u>85,754,297</u>
Company				
		Investment in Subsidiary Companies \$	Other Financial Assets \$	Total \$
Cost				
At 1 January 2022		95,188,175	-	95,188,175
Additions		101,519,670	85,754,297	187,273,967
At 31 December 2022		<u>196,707,845</u>	<u>85,754,297</u>	<u>282,462,142</u>

Other financial assets consist of investments in debt securities. The Company's marketable debt securities consist mainly of government and corporate bonds. The total income recognised on these investments in the period was \$754,197 (2021 - \$Nil) representing the fair value remeasurement losses of \$173,946 (2021 - \$Nil) and interest received of \$928,143 (2021 - \$Nil).

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.	Vijzelstraat 68, Kamernummer 2.53, 1017HL Amsterdam, Netherlands	Ordinary	100%
Hi Bob (AU) PTY Ltd	Level 65, 19 Martin Place, Sydney, NSW 2000, Australia	Ordinary	100%
Hi Bob GmbH DE	Factory Berlin Mitte, Rheinsberger Strasse 76/77, 10115, Berlin, Germany	Ordinary	100%
Hi Bob, UNIPessoal, LDA	Rua Latino Coelho, 87, 1050-134 Lisboa,	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 2022**

16. Debtors

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Due after more than one year				
Other debtors	1,696,799	472,895	-	-
Due within one year				
Trade debtors	7,887,856	3,999,596	-	-
Amounts owed by group undertakings	-	-	238,010	12,173
Other debtors (note 26)	912,367	762,760	16,189	9,844
Prepayments and accrued income	5,280,309	2,663,212	-	-
	<u>15,777,331</u>	<u>7,898,463</u>	<u>254,199</u>	<u>22,017</u>

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

17. Current asset investments

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Short-term deposits	<u>10,082,667</u>	<u>139,000,000</u>	<u>-</u>	<u>139,000,000</u>

18. Cash and cash equivalents & restricted cash and deposits

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Bank current accounts	180,577,102	54,817,293	158,068,525	39,856,589
Restricted cash	3,092,649	418,892	-	-
	<u>183,669,751</u>	<u>55,236,185</u>	<u>158,068,525</u>	<u>39,856,589</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Creditors**Amounts falling due within one year**

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Trade creditors	2,345,453	1,389,579	7,505	39,739
Other taxation and social security	3,568,309	1,801,823	-	-
Accruals and deferred income	11,784,637	11,389,285	251,058	16,694
Other creditors (note 26)	3,623,949	1,670,603	-	-
	<u>21,322,348</u>	<u>16,251,290</u>	<u>258,563</u>	<u>56,433</u>

Amounts falling due after more than one year

Other creditors	563,309	-	-	-
	<u>563,309</u>	<u>-</u>	<u>-</u>	<u>-</u>

20. Financial instruments**Financial assets**

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Financial assets measured at fair value through profit and loss	279,506,715	194,354,919	243,822,823	178,856,589
Financial assets measured at amortised cost	10,497,022	4,998,805	254,199	22,019
	<u>290,003,737</u>	<u>199,353,724</u>	<u>244,077,022</u>	<u>178,878,608</u>

Financial liabilities

Financial liabilities measured at fair value through profit and loss	(337,729)	(4,511)	-	-
Financial liabilities measured at amortised cost	(13,439,343)	(9,298,822)	(258,563)	(56,433)
	<u>(13,777,072)</u>	<u>(9,303,333)</u>	<u>(258,563)</u>	<u>(56,433)</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 2022**

21. Share capital

	2022	2021
	\$	\$
Allotted, called up and fully paid		
103,955,130 Ordinary shares of £0.00001 (2021 - 10,121,913 Ordinary shares of £0.0000001)	1,164	1
66,066,430 Series seed shares of £0.00001 (2021 - 6,606,643 Series seed shares of £0.0000001)	740	1
80,043,060 Series A shares of £0.00001 (2021 - 8,004,306 Series A shares of £0.0000001)	.896	1
77,869,500 Series A-1 shares of £0.00001 (2021 - 7,786,950) Series A-1 shares of £0.0000001)	872	1
32,402,030 Series A-2 shares of £0.00001 (2021 - 3,240,203 Series A-2 shares of £0.0000001)	363	1
170,581,930 Series B shares of £0.00001 (2021 - 17,058,193 Series B shares of £0.0000001)	1,910	2
62,019,090 Series C shares of £0.00001 (2021 - 6,201,909 Series C shares of £0.0000001)	695	1
44,491,900 Series C1 shares of £0.00001 each (2021 - Nil)	498	-
15,124,000 Deferred shares of £0.00001 (2021 - 1,512,400 Deferred shares of £0.0000001)	170	-
	<hr/>	<hr/>
	7,308	8
	<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.

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 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.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

Accumulated other comprehensive loss

This reserves represents the accumulation of the net hedging losses recognised in other comprehensive loss.

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Share based compensation

The Company operates a voluntary employees, officers, consultants and directors of the group share option scheme in which the aforementioned may opt in to purchase shares in the Company at a pre agreed price at a future date.

	Weighted average exercise price (\$) 2022	Number 2022	Weighted average exercise price (\$) 2021	Number 2021
Outstanding at the beginning of the year	0.15	59,514,240	0.08	44,262,300
Granted during the year	0.50	34,002,760	0.28	21,120,000
Forfeited during the year	0.43	(7,157,750)	0.13	(3,309,300)
Exercised during the year	0.09	(2,736,000)	0.06	(2,558,760)
Outstanding at the end of the year	0.27	83,623,250	0.15	59,514,240

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 graded vesting 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 hybrid method, including but not limited to the Option Pricing Method (OPM) for the years ended December 31, 2022, 2021, 2020 and 2019.

The total share based compensation expense recognised in profit or loss for the year is \$18,266,647 (2021 - \$1,967,068).

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 \$2,565,709 (2021 - \$1,093,368). Contributions totaling \$881,035 (2021 - \$534,929) were payable to the fund at the balance sheet date and are included in other creditors.

25. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 \$	Group 2021 \$
Not later than 1 year	4,450,787	1,307,685
Later than 1 year and not later than 5 years	12,502,751	1,447,879
More than 5 years	617,953	-
	<u>17,571,491</u>	<u>2,755,564</u>

HI BOB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. Other financial commitments

The group has applied hedge accounting to hedge against the risk of overall changes in cash flows resulting from forecasted foreign currency salary payments and suppliers' payments during the year, using forward exchange contracts. For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedge, changes in the fair value are recorded in accumulated other comprehensive income (loss) as a component of shareholders' equity in the consolidated balance sheets until the forecasted transaction occurs. Upon occurrence, the Group reclassifies the related gains or losses on the derivative to the same financial statement line item in the Consolidated Statement of Comprehensive Income (loss) to which the derivative relates. For derivative instruments that don't meet the definition of a hedge, the changes in the fair value are included immediately in earnings in "profit / (loss) on financial instrument", in each reporting period. At the reporting date, the Group was committed to sell \$16,227,804 (2021: \$4,627,331) and receive ILS 55,685,044 (2021: ILS 14,640,000). Derivative assets recognised in debtors at the period end relating to forward foreign currency exchange contracts amount to \$Nil (2021 - \$118,734); Derivative liabilities recognised in creditors relating to forward foreign currency contracts amount to \$337,729 (2021 - \$4,511). The Group recognised a net loss from its transactions not designated as cash flow hedge of \$1,097,737 (2021 - Gain \$288,901). The Group recognised a net loss from its transactions designated as cash flow hedge of \$224,822 (2021 - \$Nil).

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 2022.

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

In May 2023, the group approved capital investments in the share capital of Hi Bob Israel in an aggregate amount equal to US\$ 83,230,629, that has been invested during the year 2022, in exchange for issuance to the parent company of 29,289 Ordinary Shares of Hibob IL at a price per share of NIS 10,000.

In September 2023, the group entered into Round D Investment agreement, according to which the group committed to issue 44,491,902 Series D Preferred Shares of £ 0.00001 par value each for the total consideration of \$ 150,000,000.

29. Controlling party

The Directors consider there to be no ultimate controlling party.