

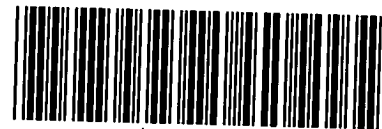
# Ezbob Ltd

Registered number: 07852687

## Annual Report

For the year ended 31 December 2022

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**EZBOB LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	G Aharoni T Guriel S Mazzoli L V McMurray
<b>Registered number</b>	07852687
<b>Registered office</b>	120 New Cavendish Street London England W1W 6XX
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 90 Victoria Street Bristol BS1 6DP
<b>Bankers</b>	Silicon Valley Bank UMTB Bank

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**EZBOB LTD**

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**CONTENTS**

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	Page
<b>Directors' report</b>	<b>1 - 3</b>
<b>Independent auditor's report</b>	<b>4 - 7</b>
<b>Consolidated statement of comprehensive income</b>	<b>8</b>
<b>Consolidated statement of financial position</b>	<b>9 - 10</b>
<b>Company statement of financial position</b>	<b>11 - 12</b>
<b>Consolidated statement of changes in equity</b>	<b>13</b>
<b>Company statement of changes in equity</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 33</b>

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**EZBOB LTD**

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

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The directors present their report and the audited consolidated financial statements for the year ended 31 December 2022.

**Principal activity**

The principal activity of the group is to act as a fintech company specialising in end to end digital lending and smart onboarding for bank account solutions for financial institutions. The principal activity of the company is white labelling the group's solution.

**Directors**

The directors who served during the year and to the date of this report were:

G Aharoni  
R Ben Menachem (resigned 31 December 2022)  
T Guriel  
S Mazzoli  
L V McMurray

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated 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 consolidated 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 consolidated 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 consolidated 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.

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## **EZBOB LTD**

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

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#### **Going concern**

The financial statements have been prepared on the going concern basis. The group recorded a profit for the year of 2022 of £5,332,550 (group's loss for the year of 2021: £2,874,647), had net current assets of £3,837,159 (2021: net current liabilities of £757,476), and net assets of £3,980,439 (2021: net liabilities of £1,519,953).

In performing this assessment the directors have reviewed the group's operations, existing available financing facilities, and cash flow forecasts 12 months from the date of Signing these financial statements.

Results for 2023 are to date in line with the director's expectations. In considering the cash flow forecasts, the directors have taken into account the cash position at the date of signing, debt facility agreements that were signed in 2021, the ongoing business and potential mitigating actions should they be required including the ability to reduced expenses.

Under both its base-case scenario and reasonably plausible downside scenarios, the directors consider that the group is well positioned to manage risk during this period of economic uncertainty and is able to realise its assets and discharge its liabilities and commitments in the normal course of business. Severe but plausible downside scenarios only considered contracted revenue and minimal variable revenue streams as a result of reduced lending through the group's platform. Whilst this is not the director's expectation, and current trading supports this, the directors consider there are sufficient cost reduction measures which are available and in their control to preserve cash flow and to continue to operate within its available financing even in this downside scenario.

On this basis the directors have a reasonable expectation that the group has adequate resources to continue trading for at least the next 12 months and the foreseeable future. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### **Qualifying third party indemnity provisions**

The directors benefit from a third party qualifying indemnity provision in the form permitted by Section 234 of the Companies Act 2006 in respect of certain third party actions against Directors. No claim or notice of claim in respect of these indemnities has been received in the period. The qualifying indemnity provision was in force throughout the financial period and up to the date of approval of the Directors' Report.

#### **Provision 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 director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has 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.

#### **Auditor**

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

#### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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**EZBOB LTD**

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

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

DocuSigned by:  
  
36369C8788DF43A...  
**T Gurriel**  
Director

Date: 27/07/23

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**EZBOB LTD**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EZBOB LTD**

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**Opinion**

We have audited the financial statements of Ezbob Ltd (the 'company') for the year ended 31 December 2022 which comprise the Consolidated Statement of comprehensive income, the Consolidated and company Statement of financial positions, Consolidated and company Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the 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.

**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.

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**EZBOB LTD**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EZBOB LTD**

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a Strategic report.

**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 intend either to liquidate the company or to cease operations, or have no realistic alternative but to do so.



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**EZBOB LTD**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EZBOB LTD**

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**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006. In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition which we pinpointed to the cut-off assertion and significant one-off or unusual transactions.

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

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

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

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

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**EZBOB LTD**

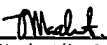
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EZBOB LTD**

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**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.

  
Jonathan Marchant (Aug 8, 2023 13:54 GMT+1)

Jonathan Marchant (Senior statutory auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
Bristol  
BS1 6DP

Date: 8 August 2023

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

	Note	2022 £	2021 £
Turnover		14,760,583	6,468,477
Cost of sales		(2,485,574)	(3,313,253)
<b>Gross profit</b>		<b>12,275,009</b>	<b>3,155,224</b>
Administrative expenses		(6,846,596)	(6,821,292)
Other operating income	4	560,701	1,766,312
<b>Operating profit/(loss)</b>		<b>5,989,114</b>	<b>(1,899,756)</b>
Interest receivable and similar income		46,893	-
Interest payable and similar expenses		(618,732)	(783,794)
<b>Profit/(loss) before taxation</b>		<b>5,417,275</b>	<b>(2,683,550)</b>
Tax on profit/(loss)		(84,725)	(191,097)
<b>Profit/(loss) for the financial year</b>		<b>5,332,550</b>	<b>(2,874,647)</b>
Foreign exchange differences on translation of foreign operations		-	(81,883)
<b>Total comprehensive income/(loss) for the year</b>		<b>5,332,550</b>	<b>(2,956,530)</b>

The consolidated Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 33 form part of these financial statements.

**EZBOB LTD**  
**REGISTERED NUMBER: 07852687**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	7	-	-
Tangible fixed assets	8	143,280	158,768
		<u>143,280</u>	<u>158,768</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	459,939	1,445,491
Deposits		111,634	1,361,967
Cash and cash equivalents		7,413,124	4,501,401
		<u>7,984,697</u>	<u>7,308,859</u>
Creditors: amounts falling due within one year	11	(4,147,538)	(8,066,335)
<b>Net current assets/(liabilities)</b>		<u>3,837,159</u>	<u>(757,476)</u>
<b>Total assets less current liabilities</b>		<u>3,980,439</u>	<u>(598,708)</u>
Creditors: amounts falling due after more than one year	12	-	(921,245)
<b>Net assets/(liabilities)</b>		<u><u>3,980,439</u></u>	<u><u>(1,519,953)</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	2,607	2,606
Share premium account	16	30,487,217	30,487,217
Share options reserve	16	897,248	729,407
Retranslation reserve	16	(121,098)	(121,098)
Profit and loss account	16	(27,285,535)	(32,618,085)
<b>Total equity</b>		<u><u>3,980,439</u></u>	<u><u>(1,519,953)</u></u>

The consolidated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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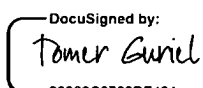
**EZBOB LTD**  
**REGISTERED NUMBER: 07852687**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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

DocuSigned by:  
  
36369C8788DF43A...  
**T Gurriel**  
Director

Date: 27/07/23

The notes on pages 15 to 33 form part of these financial statements.

**EZBOB LTD**  
**REGISTERED NUMBER: 07852687**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	7	-	-
Tangible fixed assets	8	10,083	22,957
Fixed asset investments	9	572,683	420,255
		<u>582,766</u>	<u>443,212</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	274,213	1,300,968
Deposits		28,000	1,261,333
Cash at bank and in hand		5,266,477	3,302,058
		<u>5,568,690</u>	<u>5,864,359</u>
Creditors: amounts falling due within one year	11	(10,340,330)	(14,420,569)
<b>Net current liabilities</b>		<u>(4,771,640)</u>	<u>(8,556,210)</u>
<b>Total assets less current liabilities</b>		<u>(4,188,874)</u>	<u>(8,112,998)</u>
Creditors: amounts falling due after more than one year	12	-	(921,245)
<b>Net liabilities</b>		<u>(4,188,874)</u>	<u>(9,034,243)</u>
<b>Capital and reserves</b>			
Called up share capital	15	2,607	2,606
Share premium account	16	30,487,217	30,487,217
Share options reserve	16	58,400	42,988
Profit and loss account	16	(34,737,098)	(39,567,054)
<b>Total equity</b>		<u>(4,188,874)</u>	<u>(9,034,243)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has elected to take exemption under Section 408 of the Companies Act not to present a profit and loss account. The profit for the year was £4,829,956 (2021: loss of £3,331,743).

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**EZBOB LTD**  
**REGISTERED NUMBER: 07852687**

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**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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

DocuSigned by:

*Tomer Gurriel*

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**T Gurriel**  
Director

Date: 27/07/23

The notes on pages 15 to 33 form part of these financial statements.

## EZBOB LTD

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

	Called up share capital £	Share premium account £	Retranslation reserve £	Share options reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	2,602	30,487,217	(39,215)	473,771	(29,743,438)	1,180,937
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(2,874,647)	(2,874,647)
Share based payment charge	-	-	-	226,971	-	226,971
Other comprehensive income	-	-	(81,883)	-	-	(81,883)
<b>Total comprehensive income for the year</b>	-	-	(81,883)	226,971	(2,874,647)	(2,729,559)
Shares issued during the year	4	-	-	-	-	4
Share based payments - exercised	-	-	-	28,665	-	28,665
<b>Total transactions with owners</b>	4	-	-	28,665	-	28,669
<b>At 1 January 2022</b>	2,606	30,487,217	(121,098)	729,407	(32,618,085)	(1,519,953)
<b>Comprehensive loss for the year</b>						
Profit for the year	-	-	-	-	5,332,550	5,332,550
Share based payment charge	-	-	-	167,841	-	167,841
<b>Total comprehensive income for the year</b>	-	-	-	167,841	5,332,550	5,500,391
Shares issued during the year	1	-	-	-	-	1
<b>Total transactions with owners</b>	1	-	-	-	-	1
<b>At 31 December 2022</b>	2,607	30,487,217	(121,098)	897,248	(27,285,535)	3,980,439

The notes on pages 15 to 33 form part of these financial statements.



## EZBOB LTD

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

	Called up share capital £	Share premium account £	Share options reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	2,602	30,487,217	-	(36,235,311)	(5,745,492)
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(3,331,743)	(3,331,743)
Share based payment charge	-	-	14,323	-	14,323
<b>Total comprehensive income for the year</b>	-	-	14,323	(3,331,743)	(3,317,420)
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	4	-	-	-	4
Share based payments - exercised	-	-	28,665	-	28,665
<b>Total transactions with owners</b>	4	-	28,665	-	28,669
<b>At 1 January 2022</b>	2,606	30,487,217	42,988	(39,567,054)	(9,034,243)
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	4,829,956	4,829,956
Share based payment charge	-	-	15,412	-	15,412
<b>Total comprehensive income for the year</b>	-	-	15,412	4,829,956	4,845,368
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	1	-	-	-	1
<b>Total transactions with owners</b>	1	-	-	-	1
<b>At 31 December 2022</b>	2,607	30,487,217	58,400	(34,737,098)	(4,188,874)

The notes on pages 15 to 33 form part of these financial statements.

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**EZBOB LTD**

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

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**1. General information**

Ezbob Limited (the "company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales. The company's registered number is 07852687. The address of the company's registered office and principal place of business is 120 New Cavendish Street, London, W1W 6XX.

The principal activity of the group is to act as a fintech company specialising in end to end digital lending and smart onboarding for bank account solutions for financial institutions. The principal activity of the company is white labelling the group's solution.

**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 Section 1A of 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 financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the group operates and is rounded to the nearest pound.

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.

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**EZBOB LTD**

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

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**2. Accounting policies (continued)**

**2.3 Going concern**

The financial statements have been prepared on the going concern basis. The group recorded a profit for the year of 2022 of £5,332,550 (group's loss for the year of 2021: £2,874,647), had net current assets of £3,837,159 (2021: net current liabilities of £757,476), and net assets of £3,980,439 (2021: net liabilities of £1,519,953).

In performing this assessment the directors have reviewed the group's operations, existing available financing facilities, and cash flow forecasts 12 months from the date of Signing these financial statements.

Results for 2023 are to date in line with the director's expectations. In considering the cash flow forecasts, the directors have taken into account the cash position at the date of signing, debt facility agreements that were signed in 2021, the ongoing business and potential mitigating actions should they be required including the ability to reduced expenses.

Under both its base-case scenario and reasonably plausible downside scenarios, the directors consider that the group is well positioned to manage risk during this period of economic uncertainty and is able to realise its assets and discharge its liabilities and commitments in the normal course of business. Severe but plausible downside scenarios only considered contracted revenue and minimal variable revenue streams as a result of reduced lending through the group's platform. Whilst this is not the director's expectation, and current trading supports this, the directors consider there are sufficient cost reduction measures which are available and in their control to preserve cash flow and to continue to operate within its available financing even in this downside scenario.

On this basis the directors have a reasonable expectation that the group has adequate resources to continue trading for at least the next 12 months and the foreseeable future. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

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**EZBOB LTD**

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

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**2. Accounting policies (continued)****2.4 Turnover**

Income from software services is recognised in the income statement on the following basis:

- Contract implementation revenue is recognised after the implementation of the software
- License, maintenance and service fees for use of software are recognised straight line - over period of license
- Variable revenue is recognised when the service has been provided.
- All revenue is recognised when the amount of the revenue can be reliably measured and its probable economic benefits associated with the service will flow into the entity.

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.

**2.5 Operating leases: the group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Research and development**

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred with the exemption of capitalised development costs during the period.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes direct labour costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

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**EZBOB LTD**

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

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**2. Accounting policies (continued)**

**2.7 Government grants**

Government grants are included within accruals and deferred income in the Statement of financial position and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred. Amounts recognised in the profit and loss account are included within "Other operating income".

**2.8 Interest receivable and similar income**

Interest receivable and similar income is recognised in profit or loss using the effective interest method.

**2.9 Interest payable and similar expenses**

Interest payable and similar expenses are charged to profit or loss 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.

**2.10 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 profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

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**EZBOB LTD**

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

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**2. Accounting policies (continued)**

**2.11 Share based payments**

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on an using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

During the twelve months, the company issued a total of 180,000 (2021: 648,439) equity settled share-based payment options to 18 employees (2021: 20), whereby services are rendered in exchange for rights over 180,000 (2021: 648,439) shares of the Company for an exercise price £0.95 (2021: £0.95). The options vest on the expiry of a 1-4 year period, on condition that the grantees continue to provide services to the company.

In addition, during the year, 405,884 (2021: 396,097) employee options expired.

As of 31 December 2022, the number of outstanding employee and director options was 3,140,722 (2021: 3,366,606), with an average exercise price of £1.05 (2021: £1.07).

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**EZBOB LTD**


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


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**2. Accounting policies (continued)****2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate income.

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

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

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

**2.13 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Development costs	-	3 years
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Amortisation is included in 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

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**EZBOB LTD**

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

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**2. Accounting policies (continued)****2.14 Tangible fixed assets**

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Buildings	- 3 to 10 years
Plant and machinery	- 3 to 15 years
Fixtures and fittings	- 3 to 7 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 profit or loss.

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 Debtors**

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

**2.17 Cash and cash equivalents**

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

**2.18 Creditors**

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



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**EZBOB LTD**

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

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**2. Accounting policies (continued)**

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.20 Financial instruments**

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

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 effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective 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.

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**EZBOB LTD**

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

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

In applying the group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**3.1 Critical judgements in applying the group's accounting policies**

The critical judgements that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

**(i) Share options**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the company uses a valuation model based on applying a revenue multiple to the ARR run rate revenue.

**(ii) Legal Claim**

The group has applied judgment, relating to a legal claim, based on all the facts available to management, as stated in note 19.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**(i) Recoverability of debtors**

The group establishes a provision for debts that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debts, past experience of recoverability, and the credit profile of individual or groups of customers.

**EZBOB LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****4. Other operating income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants receivable	560,701	1,766,312

Other operating income relates to research and development grants received from the government.

**5. Employees**

The average monthly number of employees, including the directors, during the year was 40 (2021: 49). During the year the company used on average 19 subcontractors (2021: 29).

**6. Directors' remuneration**

Amounts paid to third parties in respect of directors' services. The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £67,727 (2021: £75,105).

**7. Intangible assets****Group and Company**

	<b>Development costs £</b>
<b>Cost</b>	
At 1 January 2022	325,525
At 31 December 2022	325,525
<b>Amortisation</b>	
At 1 January 2022	325,525
At 31 December 2022	325,525
<b>Net book value</b>	
At 31 December 2022	-
At 31 December 2021	-

## EZBOB LTD

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

## 8. Tangible fixed assets

## Group

	Buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2022	192,219	679,301	58,937	930,457
Additions	-	44,184	1,214	45,398
At 31 December 2022	192,219	723,485	60,151	975,855
<b>Depreciation</b>				
At 1 January 2022	106,628	627,421	37,640	771,689
Charge for the year	17,487	40,276	3,123	60,886
At 31 December 2022	124,115	667,697	40,763	832,575
<b>Net book value</b>				
At 31 December 2022	68,104	55,788	19,388	143,280
At 31 December 2021	85,591	51,880	21,297	158,768

**EZBOB LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****8. Tangible fixed assets (continued)****Company**

	<b>Buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2022	4,952	354,635	20,399	379,986
Additions	-	972	-	972
At 31 December 2022	4,952	355,607	20,399	380,958
<b>Depreciation</b>				
At 1 January 2022	4,952	331,678	20,399	357,029
Charge for the year	-	13,846	-	13,846
At 31 December 2022	4,952	345,524	20,399	370,875
<b>Net book value</b>				
At 31 December 2022	-	10,083	-	10,083
At 31 December 2021	-	22,957	-	22,957

**EZBOB LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****9. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2022	420,255
Additions	152,428
At 31 December 2022	572,683
<b>Net book value</b>	
At 31 December 2022	572,683
At 31 December 2021	420,255

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Ezbob UK Limited	120 New Cavendish Street, London, England, W1W 6XX	Administrative duties	Ordinary	100%
Ezbob IT Limited	Medinat ha-Yehudim St, 85 Hertsliya, Israel	Administrative duties	Ordinary	100%
Everline Holdco Limited	120 New Cavendish Street, London, England, W1W 6XX	Dormant	Ordinary	100%

EZBOB BG Ltd was sold on 7 October 2022.

**EZBOB LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****10. Debtors**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Trade debtors	112,827	689,784	112,827	689,784
Other debtors	1,000	26,870	1,000	26,845
Prepayments and accrued income	267,229	666,973	160,386	584,339
Deferred taxation (note 14)	78,883	61,864	-	-
	<u>459,939</u>	<u>1,445,491</u>	<u>274,213</u>	<u>1,300,968</u>

Trade debtors are stated net of provisions of £nil (2021: £nil).

**11. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<b>Restated Group 2021 £</b>	<b>Company 2022 £</b>	<b>Restated Company 2021 £</b>
Trade creditors	328,402	503,462	168,862	327,323
Warrant liability (note 13)	506,522	506,522	506,522	506,522
Amounts owed to group undertakings	-	-	7,235,523	7,461,884
Other creditors	59,188	1,591,456	51,854	1,527,993
Corporation tax	47,350	48,116	-	-
Other taxation and social security	818,024	778,578	28,789	14,484
Accruals	181,332	122,089	142,060	66,251
Customer advances	1,172,837	1,698,295	1,172,837	1,698,295
Bank loans (note 13)	1,033,883	2,817,817	1,033,883	2,817,817
	<u>4,147,538</u>	<u>8,066,335</u>	<u>10,340,330</u>	<u>14,420,569</u>

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

**12. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Bank loans (note 13)	-	921,245	-	921,245
	<u>-</u>	<u>921,245</u>	<u>-</u>	<u>921,245</u>

## EZBOB LTD

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

Analysis of the maturity of loans is given below:

	<b>Group 2022 £</b>	<b>Restated Group 2021 £</b>	<b>Company 2022 £</b>	<b>Restated Company 2021 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	1,033,883	2,817,817	1,033,883	2,817,817
Warrant liability	506,522	506,522	506,522	506,522
<b>Amounts falling due 1-2 years</b>				
Bank loans	-	921,245	-	921,245
	<u>1,540,405</u>	<u>4,245,584</u>	<u>1,540,405</u>	<u>4,245,584</u>

In September 2018, the company issued a warrant to Mizrahi Tefahot Bank, exercisable for a period of up to 6 years, to purchase Preferred Shares in the Company for an aggregate exercise price of £600,000, and a per share exercise price equal to the lower of £2.502 and the price per share in the next equity raising by the company of at least £3,000,000 by third parties. The warrant is also exercisable on a net issuance basis. In the event of an exit transaction, the bank has the rights to waive its warrant rights in exchange for a payment of £500,000.

In March 2020, the company issued a warrant to Mizrahi Tefahot Bank, exercisable for a period of up to 8 years, to purchase Preferred Shares in the company for an aggregate exercise price of £400,000, and a per share exercise price equal to the lower of £2.502 and the price per share in the next equity raising by the company of at least £3,000,000 by third parties. The warrant is also exercisable on a net issuance basis. In the event of an exit transaction, the bank has the rights to waive its warrant rights in exchange for a payment of £171,429.

In October 2022, the loans payable to Mizrahi Tefahot Bank were repaid prior to their due date in full.

In June and December 2019, the company signed a Master Proceeds Purchase Agreement loans agreement with Liquidity Capital. Under the agreement, Liquidity purchased future proceeds from grants the company with a USD loan facility in an amount of \$1,406,500 which will be repaid in 24 monthly instalments with a monthly interest rate of 1.72%.



## EZBOB LTD

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**
**13. Loans (continued)**

In November 2020, the company signed an Amendment to the Master Proceeds Purchase Agreement and other loan agreements with Liquidity Capital. Under the agreement, Liquidity agreed to purchase from the company future proceeds for an aggregate purchase price of up to \$14,000,000. After the balance sheet date, Liquidity purchased future proceeds from grants the company with a USD Joan facility in an amount of \$3,000,000 which will be repaid in 24 monthly instalments with a monthly interest rate of 1.38%.

In addition, in November 2020, the company issued a warrant to Liquidity; exercisable for a period of up to 10 years, to purchase Preferred Shares in the company for an aggregate exercise price of £860,000, and a per share exercise price equal to the lower of £2.502 and the price per share in the next equity raising by the company. The warrant is also exercisable on a net issuance basis.

The company's obligations to Liquidity Capital have been secured against the assets of the group by second-ranking fixed and floating charges over the group's assets.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Financial liability: amount falling due after one year</b>		
Loan liability	-	921,245
	<u>          </u>	<u>          </u>

**14. Deferred taxation****Group**

	<b>2022</b>
	<b>£</b>
At beginning of year	61,864
Credited to profit or loss	17,019
<b>At end of year</b>	<u>78,883</u>
	<u>          </u>
	<b>Group</b>
	<b>2022</b>
	<b>£</b>
Origination of timing differences	78,883
	<u>78,883</u>
	<u>          </u>
	<b>Group</b>
	<b>2021</b>
	<b>£</b>
	61,864
	<u>61,864</u>
	<u>          </u>

## EZBOB LTD

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


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**15. Called up share capital**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
15,339,863 (2021: 15,332,284) Ordinary shares of £0.0001 each	1,534	1,533
10,726,368 (2021: 10,726,368) Non redeemable preference shares of £0.0001 each	1,073	1,073
	<hr/>	<hr/>
	2,607	2,606
	<hr/>	<hr/>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

The holders of the preferred shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. As set out in the company's Articles of Association a distribution event would result in the funds, assets or proceeds distributed or which become available for distribution to the shareholders as a result of such Distribution Event, or to which shareholders are entitled to receive pursuant to such Distribution Event, being distributed to the preference shareholders first up to a maximum amount of £2.50 per share but £2.18 on average. A distribution event would arise on a change of control, an IPO, a distribution of dividends or liquidation of the company.

**16. Reserves****Share premium account**

The share premium account represents the part of any consideration received for shares which was in excess of the nominal value of the shares after transaction costs.

**Retranslation reserve**

This reserve comprises the movement in the conversion of the account balances in the ledger to Pound Sterling on consolidation.

**Share options reserves**

This reserve comprises the fair value of options recognised as an expense. Upon exercise of options, any proceeds received are credited to share capital. The share based payment reserve remains as a separate component of equity.

**Profit and loss account**

The profit and loss account includes all prior and current period retained profits and losses.

## EZBOB LTD

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


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**17. Share based payments**

In 2014 the parent company approved a plan to issue options to the employees of the parent company and the company. According to the plan, some of the employees are eligible for stock options of the parent company. Some employees were given options exercisable immediately while others in four equal annual portions. The options are exercisable each to one share of the parent company.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	107	3,366,606	185	3,128,759
Granted during the year	96	180,000	98	648,439
Exercised during the year		-	198	(14,495)
Expired and forfeited during the year		(405,884)	145	(396,097)
<b>Outstanding at the end of the year</b>	<b>105</b>	<b>3,140,722</b>	<b>107</b>	<b>3,366,606</b>

	2022 Black Scholes	2021 Black Scholes
Option pricing model used		
Weighted average share price (pence)	105	107
Expected terms (in years)	4	4
Expected volatility	50%	50%
Expected dividend growth rate	0%	0%
Risk-free interest rate	1%	1%

**18. Prior year adjustment**

During the year, the directors decided to reclassify the warrant liability balance separately from bank loans. The directors also reclassified the warrant liability separately in the prior year for comparative consistency. These adjustments have no impact on the profit and loss or net assets of the company.

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**EZBOB LTD**

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

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**19. Contingent liabilities**

In September 2017, a former employee of the company initiated a lawsuit against the company in the amount of approximately £80,000, claiming damages resulting from the company's alleged failure to properly make deposits to her pension fund, resulting in her pension fund denying her coverage for disability benefits. A new and updated claim was submitted for additional residual pension payments in the monthly amount of £5k for an indefinite period.

The plaintiff's motion to amend the complaint to demand a one-time payment of approximately £1.3M was denied by the court in August 2021. The plaintiffs were entitled to appeal this decision.

As such, the National Court proposed a settlement outline, pursuant to which in the event the claim against the company is accepted, the Plaintiff can amend his claim and quantify it. The claim amount will be set at approximately 6.2 million NIS (approx. £1.59 million) in this instance.

Based on the latest hearings to date, and consultation with legal counsel, Management of the Company believe that it is more likely than not that the company will not be required to indemnify the plaintiff and that there is a greater chance, if any, that the liability will fall upon the pension fund.

**20. Pension commitments**

The assets of the schemes are held separately from those of the company in independently administered funds. The total amount recognised in Statement of comprehensive income during the year was £403,192 (2021: £477,850). At the year end an amount of £84,486 (2021: £67,238) was outstanding.

**21. Related party transactions**

The group has taken advantage of the exemption from disclosing related party transactions undertaken between wholly owned members of the group that have been concluded under normal market conditions.

**22. Post balance sheet events**

During January 2023, the company's wholly owned subsidiary, Everline Holdco Limited was dissolved.

**23. Controlling party**

The directors consider there to be no ultimate controlling party of the group.