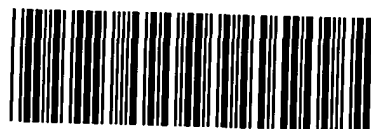


Company Registration No. 12830317 (England and Wales)

ROBOYO GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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ROBOYO GROUP LIMITED

COMPANY INFORMATION

Directors	J Collard T Dickemann N Hess L Jones A Ohlen F Schikora W Stewart T Skelton
Company number	12830317
Registered office	Orion House 5 Upper St Martin's Lane London United Kingdom WC2H 9EA
Auditor	RSM UK Audit LLP Chartered Accountants Suite A 7th Floor, East West Building 2 Tollhouse Hill Nottingham NG1 5FS

ROBOYO GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

The directors believe they have acted individually and collectively in a way that would be most likely to promote the success of the company for the benefit of its shareholders. Roboyo completed the year with total revenues of €50.1m and an EBITDA of €(3.6)m. Management believes the outlook for the broader Intelligent Automation sector is robust as validated by an external expert (Altman Solon) in a recent Vendor Due Diligence exercise (performed in Q1 2023). In 2022 Roboyo continued to build out its global operating platform to drive future growth. As part of this growth initiative, Roboyo completed three acquisitions (debt funded) which included further expansion into Asia/Australia, opened up new operations in Italy and Denmark and strengthened and expanded its technology partner relationships with software vendors (Celonis/Druid/Appian/Mendix/Bizagi).

As a result of the various initiatives noted, administrative expenses have grown from €20.6m in the previous 16 month period to €31.2m in the current year. Interest expenses have also increased from €4.8m in the previous 16 month period to €6.7m in the current year as a result of the increased debt to finance the above acquisitions. As at 31 December 2022 the group had net current liabilities of €8.7m (2021: net current asset €3.4m), net liabilities of €24.4m (2021: €7.5m) and cash at bank and in hand of €5m (2021: €4.2m). The net current liabilities and the increased net liabilities position is in relation to the group utilising existing acquisition facilities in respect of the three acquisitions noted above.

Roboyo have maintained the group's gross profit margin at 39% in the current and prior period. More detail on financial performance has been noted below.

Roboyo has also continued to invest in expanding its valuable recurring revenue Managed Services offering and made further investment to increase the capability of its *Converge* proprietary software offering. Finally, Roboyo has added to and expanded the Consulting offering through Lean Six Sigma Consulting capability to further enhance upstream client engagements. Management is confident in Roboyo's outlook for 2023.

Principal risks and uncertainties

The principal supply side risk for the business relates to the continued availability of talent needed for Roboyo to continue its current growth trajectory. In key markets such as Germany talent remains constrained and there is a risk that Roboyo may struggle to find the required talent. However, this risk is mitigated by Roboyo's presence in over 15 countries and its ability to staff customer projects from a global resource pool (where possible.) Roboyo also continues to invest in various recruitment initiatives, including an intern program with various universities across Europe and the US, in order to recruit the best talent.

From a demand side perspective, 2022 saw some softening in the market place due to macro economic uncertainty which resulted in some clients delaying or cancelling their system implementation projects which they viewed as non-critical in the short term. This uncertainty is still present in 2023 in some key markets such as Germany. Nevertheless, the Total Addressable Market is still big enough to sustain material growth rates moving forwards. Additionally, the investment Roboyo has made in bringing on new technology partnerships has increased the opportunity for larger 'one stop shop' client engagements across the intelligent automation spectrum (UiPath/Appian/Celonis/Druid for example).

Finally, as evidenced from the recent pandemic and accentuated by the current challenging economic environment, customers have further realised the opportunity and need to automate their operations in order to save on costs and increase productivity. Therefore, if there was a major recession, it is likely that customers will continue with their planned automation initiatives in order to achieve long term cost efficiency and competitive advantage.

ROBOYO GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

The key performance indicators for the group are considered to be:

	Year ended 31 December 2022	Period from 21 August 2020 to 31 December 2021
Revenue	€50,070,651	€28,279,439
Gross Margin	38.9%	39.4%
EBITDA	€(3.6)m	€(2.8)m
Average utilisation	69%	73%
Non-licence gross margin	46%	45%

The key performance indicators that Roboyo tracks of a regular basis are:

- Revenue growth;
- Non-Licence gross margin;
- Gross Margin;
- Average utilisation.

Total revenue growth for Roboyo in 2022 was 77% compared to 2021, however, this not comparable given longer period of account in the prior year. Underlying growth was fueled organically in existing and new geographies as well as inorganically through the acquisition of Lean Consulting in the UK, WeMake in Portugal and Procensol (UK/Australia/India). Non-Licence gross margin for the year has been 46% compared with the target of 50%.

The other key metric Roboyo tracks is average utilisation for billable FTE. For the year 2022, average utilisation was 69% which has been 1% below of Roboyo's internal target of 70%.

Future developments

The directors expect the general level of activity to continue to grow in the forthcoming year as the group continues to integrate the acquired subsidiary companies in order to deliver a more effective offering to the market.

Financial instruments

Credit risk

Credit risk mainly arises on trade debtors. The policies and procedures in place before new customers are taken on mean that this risk is mitigated.

Liquidity risk and cashflow risk

The Group continuously monitors its bank and cash position to ensure that adequate resources are available both for ongoing operations and anticipated growth investments. Cash balances were €5m at the year end. The cash balance combined with available facilities is sufficient in the board's opinion to fund all current activities and forecast growth plans for the foreseeable future.

Foreign exchange and interest rate risk

Foreign exchange risk - From a functional basis Roboyo has a degree of natural hedge as the majority of revenues and costs are in the same currency (Euros). There is an FX risk between the US and Mexico as the US relies on Mexico to deliver work however the level of risk is not significant.

Interest rate risk arises from the interest rate on the group's borrowings, comprising bank loans with a fixed interest rate. The rate applied is fixed and as such the interest rate risk is protected from changes in the base rate of interest on bank facilities.

ROBOYO GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going Concern

Financial forecasts have been prepared and submitted to members of the Board for review setting out in detail the extent and diversity of the group's revenues; the current available liquidity of the group; the levels of committed cash outflows; and ability of the group to mitigate reductions in cash inflows. These forecasts were made after considering the current market conditions.

As at 31 December 2022 the group had net current liabilities of €8.7m (2021: net current assets €3.4m), net liabilities of €24.4m (2021: €7.5m) and cash at bank and in hand of €5m (2021: €4.2m). The net current liabilities and the increased net liabilities position is in relation to the group utilising existing acquisition facilities in respect of the three acquisitions noted above.

The group took out a bridge finance facility in November 2022 to finance an acquisition. This is due to be repaid end of September 2023. As documented in the 'Events after the reporting date' note, the business received a strategic investment from Stanley Capital Partners (SCP), a European-focused mid-market private equity firm. SCP will work in partnership with the existing private equity backers, MML Capital and the management team. The investment will fund the repayment of much of the bridge finance facility and provide capital for future M&A.

Management believes the current financing arrangements and cash levels are sufficient to maintain the business for the foreseeable future.

Management have performed sensitivities on the detailed forecasts for a variety of scenarios and believe the business has suitable actions available should a worsening of performance occur. The Directors note the continued support of the debt providers and their investors who have injected funds for recent acquisitions.

In assessing going concern, management have assessed the future projections of the business for at least 12 months from approval of the financial statements. The directors have reviewed the detailed budgets and forecasts covering the period to 31 December 2024 which model expected trading results, cash flows and the level of facilities the group requires on a month-by-month basis.

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

Nicolas Hess

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N Hess

Director

Date: 29/09/23
.....

ROBOYO GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company is that of a holding company.

The principal activity of the group is the provision of technology consultancy, helping corporations implement and manage intelligent automation and robotic process automation.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Collard	
T Dickemann	
N Hess	
L Jones	
A Ohlen	
F Schikora	
B Southward	(Resigned 8 September 2023)
W Stewart	
C Voigt	(Resigned 7 July 2022)
H Wirfelt	(Resigned 8 September 2023)
D Pählman	(Resigned 22 February 2022)
T Skelton	(Appointed 8 September 2023)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Research and development

The group has a continuing commitment to research and development, see note 8.

Disabled persons

The group has a policy of recruitment based on aptitude and ability without discrimination. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the group. Training, career development and promotion of disabled employees is given particular attention, with a view to encouraging them to play an active role in the development of the group.

ROBOYO GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Post reporting date events

Convertible loan notes

Subsequent to the year end, Roboyo Group Limited issued €7,500,000 fixed rate unsecured convertible loan notes. €5,033,102.30 were subscribed for by MML Capital Europe VI S.A. and €2,466,897.70 were subscribed for by Scania Growth Capital II AB. Interest shall accrue on any outstanding loan notes at a rate of 10% per annum, calculated on the basis of a 365-day year and the actual number of days elapsed since the date of issue of the loan notes.

On a conversion event, all outstanding notes will automatically be converted into fully paid D1 Ordinary Shares and Preference Shares at the Conversion Price (being the Redemption Price of all Notes to be converted). A conversion event will occur on the earlier of the following events; immediately prior to completion of a fundraising event (issuing €13,400,000 or more in aggregate from the issue of shares); or on 30 September 2023. Outstanding loan notes (so far as not converted) shall be redeemed upon the date of completion of any change of control, the date of any event of default, or such other date as may be determined by the Company with the approval of a Noteholder Majority.

Investment

On 26 September 2023 the business received a strategic investment from Stanley Capital Partners (SCP), a European-focused mid-market private equity firm. SCP will work in partnership with the existing private equity backers, MML Capital and the management team. The investment will fund the repayment of much of the Investec loan and provide capital for future M&A.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangement have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Nicolas Hess

.....
N Hess
Director

Date: 29/09/23
.....

ROBOYO GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report and the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBOYO GROUP LIMITED

Opinion

We have audited the financial statements of Roboyo Group 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, the consolidated statement of cash flows and notes to the financial statements, including 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;
- 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBOYO GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBOYO GROUP LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and reviewing tax computations prepared.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to GDPR. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Testing manual journal entries and other adjustments using data analytics software;
- Evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- Cut-off testing and substantive testing procedures to validate revenue recognition throughout the year.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

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

Use of our report

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

Neil Stephenson

Neil Stephenson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A
7th Floor, East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

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29/09/23

ROBOYO GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2022 €	Period from 21 August 2020 to 31 December 2021 €
	Notes		
Turnover	3	50,070,651	28,279,439
Cost of sales		(30,614,355)	(17,131,033)
Gross profit		19,456,296	11,148,406
Administrative expenses		(31,210,031)	(20,642,900)
Operating loss before exceptional administrative expenses, amortisation, depreciation and share-based payments		(3,091,384)	(2,445,858)
Exceptional administrative expenses	4	(518,982)	-
Share-based payments	7	-	(393,325)
Amortisation	8	(8,047,181)	(6,570,896)
Depreciation	8	(96,188)	(84,415)
Operating loss	8	(11,753,735)	(9,494,494)
Interest payable and similar expenses	10	(6,739,955)	(4,791,366)
Loss before taxation		(18,493,690)	(14,285,860)
Tax on loss	11	204,647	342,070
Loss for the financial period		(18,289,043)	(13,943,790)
Other comprehensive income net of taxation			
Exchange difference arising on translating foreign operations		(360,638)	(148,701)
Total comprehensive income for the period		(18,649,681)	(14,092,491)
Total comprehensive income for the period is Attributable to:			
- Owners of the parent company		(18,714,585)	(14,092,491)
- Non-controlling interests		64,904	-
		(18,649,681)	(14,092,491)

ROBOYO GROUP LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 €	€	2021 €	€
Fixed assets					
Goodwill	12	65,100,029		58,782,871	
Other intangible assets	12	5,415,697		5,694,526	
Total intangible assets		70,515,726		64,477,397	
Tangible assets	13	856,624		196,600	
		71,372,350		64,673,997	
Current assets					
Stocks	17	1,871,786		-	
Debtors	18	13,036,069		9,289,321	
Cash at bank and in hand		5,034,600		4,181,058	
		19,942,455		13,470,379	
Creditors: amounts falling due within one year	19	(28,677,103)		(10,086,052)	
Net current (liabilities)/assets		(8,734,648)		3,384,327	
Total assets less current liabilities		62,637,702		68,058,324	
Creditors: amounts falling due after more than one year	20	(85,813,961)		(74,079,672)	
Provisions for liabilities	22	(1,263,101)		(1,458,420)	
Net liabilities		(24,439,360)		(7,479,768)	
Called up share capital	24	17,704		17,687	
Share premium account	25	6,758,294		6,201,143	
Own share reserve	25	(297,025)		-	
Capital redemption reserve	25	681		568	
Other reserves	25	393,325		393,325	
Profit and loss reserves	25	(32,807,076)		(14,092,491)	
Equity attributable to owners of the parent company		(25,934,097)		(7,479,768)	
Non-controlling interests		1,494,737		-	
		(24,439,360)		(7,479,768)	

The financial statements were approved by the board of directors and authorised for issue on 29/09/23 and are signed on its behalf by:

Nicolas Hess

N Hess
Director

ROBOYO GROUP LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 €	€	2021 €	€
Fixed assets					
Intangible assets	12	124,792		-	
Tangible assets	13	6,042		7,656	
Investments	14	69,110,569		69,110,569	
		69,241,403		69,118,225	
Current assets					
Stocks	17	545,239		-	
Debtors	18	2,177,536		913,184	
Cash at bank and in hand		274,454		111,791	
		2,997,229		1,024,975	
Creditors: amounts falling due within one year	19	(1,990,937)		(1,220,151)	
Net current assets/(liabilities)		1,006,292		(195,176)	
Total assets less current liabilities		70,247,695		68,923,049	
Creditors: amounts falling due after more than one year	20	(75,813,837)		(67,654,232)	
Net (liabilities)/assets		(5,566,142)		1,268,817	
Capital and reserves					
Called up share capital	24	17,704		17,687	
Share premium account	25	6,758,294		6,201,143	
Own share reserve	25	(297,025)		-	
Capital redemption reserve	25	681		568	
Share based payment reserve	25	393,325		393,325	
Profit and loss reserves	25	(12,439,121)		(5,343,906)	
Total equity		(5,566,142)		1,268,817	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the period was €7,095,215 (2021 - €5,343,906 loss).

The financial statements were approved by the board of directors and authorised for issue on 29/09/23 and are signed on its behalf by:

Nicolas Hess

N Hess
Director

ROBOYO GROUP LIMITED

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

	Notes	Share capital €	Share premium account €	Own share reserve €	Capital redemption reserve €	Share based payment reserve €	Profit and loss reserves €	Total controlling interest €	Non-controlling interest €	Total €
Period ended 31 December 2021:										
Loss for the period		-	-	-	-	-	(13,943,790)	(13,943,790)	-	(13,943,790)
Other comprehensive income net of taxation:										
Currency translation differences		-	-	-	-	-	(148,701)	(148,701)	-	(148,701)
Total comprehensive income for the period		-	-	-	-	-	(14,092,491)	(14,092,491)	-	(14,092,491)
Issue of share capital	24	18,255	6,257,976	-	-	-	-	6,276,231	-	6,276,231
Reduction of shares	24	(568)	(56,833)	-	568	-	-	(56,833)	-	(56,833)
Credit to equity for equity settled share based payments		-	-	-	-	393,325	-	393,325	-	393,325
Balance at 31 December 2021		17,687	6,201,143	-	568	393,325	(14,092,491)	(7,479,768)	-	(7,479,768)

ROBOYO GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital €	Share premium account €	Own share reserve €	Capital redemption reserve €	Share based payment reserve €	Profit and loss reserves €	Total controlling interest €	Non-controlling interest €	Total €
Year ended 31 December 2022:										
Loss for the year		-	-	-	-	-	(18,289,043)	(18,289,043)	-	(18,289,043)
Other comprehensive income net of taxation:										
Currency translation differences		-	-	-	-	-	(360,638)	(360,638)	-	(360,638)
Amounts attributable to non-controlling interests		-	-	-	-	-	(64,904)	(64,904)	64,904	-
Total comprehensive income for the year		-	-	-	-	-	(18,714,585)	(18,714,585)	64,904	(18,649,681)
Transactions with owners:										
Issue of share capital	24	130	568,417	-	-	-	-	568,547	-	568,547
Reduction of shares	24	(113)	(11,266)	-	113	-	-	(11,266)	-	(11,266)
Acquisition of subsidiary	16	-	-	-	-	-	-	-	1,429,833	1,429,833
Share buy back	24	-	-	(297,025)	-	-	-	(297,025)	-	(297,025)
Balance at 31 December 2022		17,704	6,758,294	(297,025)	681	393,325	(32,807,076)	(25,934,097)	1,494,737	(24,439,360)

ROBOYO GROUP LIMITED

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

	Notes	Share capital €	Share premium account €	Own share reserve €	Capital redemption reserve €	Share based payment reserve €	Profit and loss reserves €	Total €
Period ended 31 December 2021:								
Loss and total comprehensive income for the period		-	-	-	-	-	(5,343,906)	(5,343,906)
Issue of share capital	24	18,255	6,257,976	-	-	-	-	6,276,231
Reduction of shares	24	(568)	(56,833)	-	568	-	-	(56,833)
Credit to equity for equity settled share based payments		-	-	-	-	393,325	-	393,325
Balance at 31 December 2021		17,687	6,201,143	-	568	393,325	(5,343,906)	1,268,817
Year ended 31 December 2022:								
Loss and total comprehensive income for the year		-	-	-	-	-	(7,095,215)	(7,095,215)
Transactions with owners:								
Issue of share capital	24	130	568,417	-	-	-	-	568,547
Reduction of shares	24	(113)	(11,266)	-	113	-	-	(11,266)
Share buy back	24	-	-	(297,025)	-	-	-	(297,025)
Balance at 31 December 2022		17,704	6,758,294	(297,025)	681	393,325	(12,439,121)	(5,566,142)

ROBOYO GROUP LIMITED

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

	Notes	2022 €	€	2021 €	€
Cash flows from operating activities					
Cash absorbed by operations	26	(3,901,755)		(2,001,120)	
Income taxes refunded		111,098		38,068	
Net cash outflow from operating activities		(3,790,657)		(1,963,052)	
Investing activities					
Purchase of business (net of cash acquired)		(13,402,840)		(25,034,954)	
Purchase of intangible assets		(390,258)		(442,795)	
Purchase of tangible fixed assets		(291,703)		(217,079)	
Proceeds on disposal of tangible fixed assets		4,433		-	
Net cash used in investing activities		(14,080,368)		(25,694,828)	
Financing activities					
Proceeds from issue of ordinary shares		568,547		2,257,924	
Repayment of ordinary shares		(308,291)		-	
Proceeds from issue of preference shares		515,009		24,438,260	
Interest paid		(1,023,175)		(283,156)	
Repayment of bank loans		(89,402)		(999,530)	
Proceeds of new bank loans		19,400,000		6,700,000	
Cost of acquiring new bank loans		-		(274,560)	
Net cash generated from financing activities		19,062,688		31,838,938	
Net increase in cash and cash equivalents		1,191,663		4,181,058	
Cash and cash equivalents at beginning of year		4,181,058		-	
Effect of foreign exchange rates		(338,121)		-	
Cash and cash equivalents at end of year		5,034,600		4,181,058	
Relating to:					
Cash at bank and in hand		4,805,600		4,181,058	
Restricted cash		229,000		-	

ROBOYO GROUP LIMITED

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

1 Accounting policies

Company information

Roboyo Group Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Orion House, 5 Upper St Martin's Lane, London, United Kingdom, WC2H 9EA.

The group consists of Roboyo Group Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report and Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 including provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) regulations 2008.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company is consolidated in these financial statements.

Basis of consolidation

The consolidated financial statements incorporate those of Roboyo Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Basis of consolidation (continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Going concern

Financial forecasts have been prepared and submitted to members of the Board for review setting out in detail the extent and diversity of the group's revenues; the current available liquidity of the group; the levels of committed cash outflows; and ability of the group to mitigate reductions in cash inflows. These forecasts were made after considering the current market conditions.

As at 31 December 2022 the group had net current liabilities of €8.7m (2021: net current assets €3.4m), net liabilities of €24.4m (2021: €7.5m) and cash at bank and in hand of €5m (2021: €4.2m). The net current liabilities and the increased net liabilities position is in relation to the group utilising existing acquisition facilities in respect of the three acquisitions noted above.

The group took out a bridge finance facility in November 2022 to finance an acquisition. This is due to be repaid end of September 2023. As documented in the 'Events after the reporting date' note, the business received a strategic investment from Stanley Capital Partners (SCP), a European-focused mid-market private equity firm. SCP will work in partnership with the existing private equity backers, MML Capital and the management team. The investment will fund the repayment of much of the bridge finance facility and provide capital for future M&A.

Management believes the current financing arrangements and cash levels are sufficient to maintain the business for the foreseeable future.

Management have performed sensitivities on the detailed forecasts for a variety of scenarios and believe the business has suitable actions available should a worsening of performance occur. The Directors note the continued support of the debt providers and their investors who have injected funds for recent acquisitions.

In assessing going concern, management have assessed the future projections of the business for at least 12 months from approval of the financial statements. The directors have reviewed the detailed budgets and forecasts covering the period to 31 December 2024 which model expected trading results, cash flows and the level of facilities the group requires on a month-by-month basis.

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Reporting period

The financial statements have been presented for the current year ended 31 December 2022. Whereas the comparative figures cover the from the date of incorporation of 21 August 2020 to 31 December 2021. As the current and prior periods are different lengths, the comparative figures are not entirely comparable for both the group and company.

The company and group have drawn up the accounts for the current year ended 31 December, in line with company law allowing accounts to be drawn up to within 7 days of the accounting reference date.

Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied, exclusive of value added tax and trade discounts.

Turnover from 3rd party licence sales is recognised at a point in time when invoiced and delivered to the customer with no ongoing obligations or cancellation rights.

Turnover from consulting and implementation services and academy training services is recognised over a period of time as these services are delivered to the customer on a time and materials basis which is based on billable hours incurred.

Turnover from managed services is recognised over the period of time that the customer benefits from the provision of these services. This is recognised straight-line over the specified time period outlined in the customer agreement.

Turnover from the Converge platform service is recognised over the period of time that the customer benefits from the provision of these services. This is recognised straight line over the time period outlined in the customer agreement.

Turnover from Intelligent SaaS is recognised over the period of time that the customer benefits from the provision of these services. This is recognised straight-line over the specified period outlined in the customer agreement.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	3 - 5 years straight line
Brand and Intellectual property	5 years straight line

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and other equipment	3 years straight line
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Residual value is calculated on price prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Impairment of fixed assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Goods for resale

Stocks mainly relate to 3rd party licences purchased for resale. Stocks are stated at the lower of cost and estimated selling price. At each reporting date, the group and company assesses whether stock items are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss. Reversals of impairment losses are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Preference shares

Dividends on preference shares classified as liabilities are presented within interest payable and similar expenses.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, amounts owed to group undertakings and bank loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

For the purposes of the consolidated financial information, the assets and liabilities of foreign operations are translated into Euros using exchange rates prevailing at the end of each financial year. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Exceptional items

The group presents as exceptional items on the face of the statement of comprehensive income those material items of income or expense, which because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users of the accounts to better understand the elements of financial performance in the period, so as to facilitate comparison with prior periods.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there are any critical judgements (apart from those involving estimates) that will have a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty (Continued)

Intangible assets acquired on business combination

The group initially measured the separable intangible assets acquired in a business combination at their fair value at the date of acquisition. Management judgement is required in deriving a number of assumptions which are used in assessing the fair value of each acquisition intangible including the timing and amount of future incremental cash flows expected to be generated by the asset and in calculating an appropriate cost of capital. The carrying amount of these intangible assets is €4,571,774 (2021: €5,273,994).

Deferred consideration

Management have determined the deferred consideration due in respect of the acquisition of Jolt in the prior year and Technologies de Informacao Lda (WeMake) in the current year constitutes as post acquisition remuneration and should be recognised as such. The conclusions was arrived at largely on the basis that the deferred consideration is only payable should the pre-existing management continue in employment. Please see details within note 16.

Amortisation

The assessment of the useful economic lives and the method of amortising intangible fixed assets requires judgement. Amortisation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the company expects to consume the future economic benefits embodied in the assets. At 31 December 2022 the carrying value of intangible fixed assets was €70,515,726 (2021: €64,477,397) and amortisation of €8,047,181 (2021: €6,570,896) was charged in the period.

Share-based payments

Part of the remuneration of certain employees is provided through shares issued at a discount to market value shares. The cost of these equity-settled transactions with employees is measured by reference to the fair value on the date they are granted. Judgement is required in determining the most appropriate valuation model and the most appropriate inputs into the model including the level of volatility and the expected life of the option.

Impairment of inventory - goods for resale

In order to assess the appropriateness of the carrying value of goods for resale, the management is required to make estimations of sales prices, costs and margins expected on contracts in order to determine whether any write-downs or reversals are required to ensure that goods for resale are valued at the lower of cost and net realisable value. The carrying value of the goods for resale - license at the period end was €1,871,786 (2021: €nil).

Impairment of fixed asset investment and goodwill

Determining whether fixed asset investments and goodwill are impaired requires an estimation at the higher of fair value and value in use of the cash generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying value of fixed asset investments at the period end was €69,110,569 (2021: €69,110,569) and goodwill was €65,100,029 (2021: €58,782,871).

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty (Continued)

Development costs

Management judgement is required in assessing the fair value of development costs capitalised, including the future economic benefit expected to be generated by those assets. At 31 December 2022 the carrying value of development costs capitalised was €843,923 (2021: €420,532).

Impairment of group balances - company only

Amounts owed by group undertakings are stated at recoverable amounts, after appropriate provisions for irrecoverable receivables. The calculation of any provision requires judgement from the management team, based on the creditworthiness of the debtors and historical experience. No provisions have been made against group receivables.

Recognition of deferred tax assets

The amount of deferred tax assets recognised in respect of the carry forward of unutilised tax losses is based on management's judgement that future profits will be available against which unutilised tax losses can be utilised. At 31 December 2022 the deferred tax asset recognised in respect of losses was €508,521 (2021: €636,477).

3 Turnover and other revenue

	2022 €	2021 €
Turnover analysed by class of business		
Consulting/implementation revenue	33,896,534	18,775,935
Academy revenue	463,365	402,474
Converge revenue	185,202	174,212
License revenue	11,223,356	7,343,272
Managed services revenue	3,781,209	1,576,182
Intelligent SaaS	520,985	-
Other revenue	-	7,364
	<u>50,070,651</u>	<u>28,279,439</u>
	2022 €	2021 €
Turnover analysed by geographical market		
United Kingdom	1,876,020	306,075
Germany	18,920,313	12,612,789
Rest of Europe	12,021,653	8,014,247
Rest of the World	17,252,665	7,346,328
	<u>50,070,651</u>	<u>28,279,439</u>

4 Exceptional administrative expenses

	2022 €	2021 €
Expenditure		
Exceptional item	518,982	-

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Exceptional administrative expenses (Continued)

The exceptional item recognises the incremental amount paid to ongoing management for consideration in respect of the acquisition of Roboyo Jolt Acquisition Sub Inc USA and its subsidiary undertakings (following the acquisition). The consideration was payable due to them remaining employees of Roboyo Group and subsidiaries at 31 December 2022.

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Management	15	12	11	10
Marketing and sales	35	18	-	2
Administration	41	21	-	2
Production and consultancy	292	119	-	-
Total	383	170	11	14

Their aggregate remuneration comprised:

	Group 2022 €	2021 €	Company 2022 €	2021 €
Wages and salaries	27,192,140	15,865,078	1,044,191	823,847
Social security costs	4,088,369	1,863,997	133,691	102,601
Pension costs	1,277,452	983,310	38,964	30,060
	32,557,961	18,712,385	1,216,846	956,508

In addition to the above wages and salaries during the year the group and company incurred share based payment expenses of €nil (2021: €393,325) and €nil (2021: €26,207) respectively.

6 Directors' remuneration

	2022 €	2021 €
Remuneration for qualifying services	1,674,996	909,478
Share based payment	-	236,452
Company pension contributions to defined contribution schemes	16,711	38,216
	1,691,707	1,184,146

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 €	2021 €
Remuneration for qualifying services	304,141	251,830
Share based payment	-	70,869
Company pension contributions to defined contribution schemes	-	10,212

Four directors of the company are paid by its wider group. The amount of time spent undertaking their duties of directors of Roboyo Group Limited is minimal and therefore no cost is allocated to the company and is not disclosed above.

The number of directors accruing retirement benefits under defined contribution schemes amounted to 2 (2021: 4).

7 Share-based payment transactions

In the prior period 184,999 C Ordinary shares of €0.01 were issued to employees for cash at €1 each. 56,833 C Ordinary shares of 0.01p were subsequently repurchased by the company and re-issued in the period.

These shares contain various restrictions including the requirement for them to be transferred at nominal value on cessation of employment. The value of these shares will be realised on a sale of the company. The fair value of these shares was determined to be €6.26 on the original issue and €2.29 on the subsequent issue in the period. The resulting charge is being apportioned over the period forecast to a crystallising event (see table below).

The net charge recognised in respect of these shares in the year was €nil (2021: €393,325). This was determined using the Black-Scholes model and the following inputs:

	Initial share issue	Subsequent share issue
Stock value on issue	€34.8m	€57.7m
Expected volatility	37%	37%
Expected life	4 years	3 years
Risk free rate	1%	1%

The shares do not have any market-based criteria that would affect whether they can be exercised, consequently the Black-Scholes model was considered appropriate to be utilised to determine the grant date fair value.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Operating loss

	2022 €	2021 €
Operating loss for the period is stated after charging/(crediting):		
Exchange differences	(107,037)	(61,400)
Research and development costs	97,251	50,000
Depreciation of owned tangible fixed assets	96,188	84,415
Amortisation of intangible assets	8,047,181	6,570,896
Stocks impairment losses recognised	389,457	-
Share-based payments	-	393,325
Operating lease charges	698,175	52,634

9 Auditor's remuneration

	2022 €	2021 €
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	120,000	60,000

10 Interest payable and similar expenses

	2022 €	2021 €
Interest on bank overdrafts and loans	1,232,681	266,975
Dividends on preference shares	5,432,835	4,508,210
Other interest	74,439	16,181
Total finance costs	6,739,955	4,791,366

11 Taxation

	2022 €	2021 €
Current tax		
Foreign current tax on profits for the current period	7,457	502,662
Deferred tax		
Origination and reversal of timing differences	(281,425)	(844,732)
Adjustment in respect of prior periods	69,321	-
Total deferred tax	(212,104)	(844,732)
Total tax credit	(204,647)	(342,070)

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Taxation (Continued)

The total tax credit for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2022 €	2021 €
Loss before taxation	(18,493,690)	(14,285,860)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(3,513,801)	(2,714,313)
Tax effect of expenses that are not deductible in determining taxable profit	776,330	1,028,103
Tax effect of income not taxable in determining taxable profit	(185,214)	(65,566)
Change in unrecognised deferred tax assets	1,386,201	617,714
Adjustments in respect of prior years	69,321	-
Effect of overseas tax rates	(1,331)	(266,818)
Foreign exchange differences	6,773	125,421
Fixed asset differences	(7,818)	22,153
Non-deductible amortisation of goodwill	1,264,892	911,236
Taxation credit	(204,647)	(342,070)

Following the March 2021 budget, legislation had been substantively enacted before the year end date for the main rate of UK corporation tax to increase from 19% to 25% from 1 April 2023. The UK deferred tax balances within these financial statements have therefore been calculated to reflect the rate increasing to 25%.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Intangible fixed assets

Group	Goodwill	Development costs	Brand and Intellectual property	Total
	€	€	€	€
Cost				
At 1 January 2022	63,759,926	503,593	6,784,774	71,048,293
Additions - separately acquired	-	390,258	-	390,258
Additions - business combinations	12,994,843	35,445	665,932	13,696,220
Exchange adjustments	-	(1,080)	-	(1,080)
At 31 December 2022	76,754,769	928,216	7,450,706	85,133,691
Amortisation and impairment				
At 1 January 2022	4,977,055	83,061	1,510,780	6,570,896
Amortisation charged for the year	6,677,685	1,232	1,368,264	8,047,181
Exchange adjustments	-	-	(112)	(112)
At 31 December 2022	11,654,740	84,293	2,878,932	14,617,965
Carrying amount				
At 31 December 2022	65,100,029	843,923	4,571,774	70,515,726
At 31 December 2021	58,782,871	420,532	5,273,994	64,477,397
Company				Computer software
				€
Cost				
Additions				124,792
At 31 December 2022				124,792
Carrying amount				
At 31 December 2022				124,792
At 31 December 2021				-

The amortisation charge for the period is recognised in administrative expenses.

Included within development costs is €311,202 (2021: €160,000) which has not been amortised during the period due to the development phase being on-going.

Included in the "Additions - business combinations" of €13,696,220 is €197,948 relating to additional goodwill on the acquisition of Roboyo Jolt Acquisition Sub Inc USA and its subsidiary undertakings in the previous year due to additional contingent consideration paid upon the meeting of certain targets agreed between the group and the acquired company.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

Group	Computers and other equipment €
Cost	
At 1 January 2022	281,015
Additions	291,703
Business combinations	490,490
Disposals	(4,433)
Exchange adjustments	(25,588)
At 31 December 2022	1,033,187
Depreciation and impairment	
At 1 January 2022	84,415
Depreciation charged in the year	96,188
Exchange adjustments	(4,040)
At 31 December 2022	176,563
Carrying amount	
At 31 December 2022	856,624
At 31 December 2021	196,600
Company	Computers and other equipment €
Cost	
At 1 January 2022	8,933
Additions	506
Exchange adjustments	(465)
At 31 December 2022	8,974
Depreciation and impairment	
At 1 January 2022	1,277
Depreciation charged in the year	1,775
Exchange adjustments	(120)
At 31 December 2022	2,932
Carrying amount	
At 31 December 2022	6,042
At 31 December 2021	7,656

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Fixed asset investments

	Notes	Group 2022 €	2021 €	Company 2022 €	2021 €
Investments in subsidiaries	15	-	-	69,110,569	69,110,569

Movements in fixed asset investments Company

Shares in group undertakings €

Cost or valuation

At 1 January 2022 and 31 December 2022

69,110,569

Carrying amount

At 31 December 2022

69,110,569

At 31 December 2021

69,110,569

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Roboyo Midco Limited	1	Holding company	Ordinary	100.00	-
Roboyo Bidco (Sweden) AB	2	Holding company	Ordinary	-	100.00
Roboyo Sweden AB	2	See below	Ordinary	-	100.00
AKOA GmbH	3	See below	Ordinary	-	100.00
AKOA America Inc	4	See below	Ordinary	-	100.00
Roboyo Bidco GmbH	5	See below	Ordinary	-	100.00
Roboyo Holding GmbH	5	Holding company	Ordinary	-	100.00
Roboyo GmbH	5	See below	Ordinary	-	100.00
Roboyo Schweiz AG	6	See below	Ordinary	-	100.00
Roboyo Automation India Private Limited	7	See below	Ordinary	-	100.00
Roboyo Spain S.L.U	8	See below	Ordinary	-	100.00
Roboyo USA Inc	9	See below	Ordinary	-	100.00
Roboyo Austria GmbH	10	See below	Ordinary	-	100.00
Roboyo UK Limited	1	See below	Ordinary	-	100.00
Roboyo France SAS	11	See below	Ordinary	-	100.00
Roboyo Italy S.R.L	12	See below	Ordinary	-	100.00
Roboyo Denmark ApS	13	See below	Ordinary	-	100.00
Roboyo Jolt Acquisition Sub Inc USA	9	See below	Ordinary	-	100.00
Jolt Fed LLC USA	14	See below	Ordinary	-	100.00
Jolt Transformation LLC USA	14	See below	Ordinary	-	100.00
Jolt Automation LLC USA	14	See below	Ordinary	-	100.00
Jolt Automation MX SA de CV Mexico	15	See below	Ordinary	-	100.00
Roboyo Bidco UK Limited	1	Holding company	Ordinary	-	100.00
Technologies de Informacao Lda	16	See below	Ordinary	-	100.00
Lean Consulting Limited	17	See below	Ordinary	-	100.00
Roboyo Opus Bidco Limited	1	Holding company	Ordinary	-	62.00
Procensol Consulting Ltd	1	See below	Ordinary	-	62.00
Procensol Australia Pty Ltd	18	See below	Ordinary	-	62.00
Procensol US Inc	19	Non-trading	Ordinary	-	62.00
Procensol New Zealand Limited	20	See below	Ordinary	-	62.00
Procensol Technology India Private Limited	21	See below	Ordinary	-	62.00

Registered office addresses (all UK unless otherwise indicated):

1	Orion House, 5 Upper St Martin's Lane London, WC2H 9EA
2	c/o AKOA Stockholm AB, Lantmäteribacken 1, 111 53 Stockholm, Sweden
3	Landshutter Allee 12-14, 80637 Munich, Germany
4	208 So LaSalle Street, Suite 814 Chicago, IL 60604-1101, United States of America
5	Sophie-Germain Strasse 3-5, 90443 Nuremberg, Germany
6	Freie Strasse 9, 4001 Basel, Switzerland

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Subsidiaries (Continued)

7	417 Golden Square Prime Serviced Office, Davanam Sarovar Portico Suites, Hosur Main Road, Bangalore, Karnataka-560068, India
8	Calle Provenca, 273, Planta Principal 08008, Barcelona, Spain
9	1175 Peachtree Street, NE, Suite 1000; Atlanta GA 30361, United States of America
10	Stiftgasse 31, AT-1070 Wien, Austria
11	12/14 rond point des Champs-Elysees, 75008, Paris, France
12	Foro Buonaparte 67 Milano MI, Italy
13	Frugtparken 3, Skive - 7800, Denmark
14	Incorporating Services, Ltd., 3500 S Dupont HWY, Dover, DE 19901, United States of America
15	Avenida Americas #1254, 10th Floor, Suite 35, Colonia Country Club, Guadalajara, Jalisco, Mexico, 44610
16	R. de Soares dos Reis 765, 4430-208 Vila Nova de Gaia, Portugal
17	19-20 Bourne Court Southend Road, Woodford Green, Essex, United Kingdom, IG8 8HD
18	Byron Bay, New South Wales, 2481, Australia
19	5900 Balcones Drive, STE 100, Austin TX 78731, United States of America
20	Level 2, 318 Lambton Quay, Wellington 6012, New Zealand
21	Desk No 34, 8TH Floor, Tower -1 Umiya Business Bay, Marathalli-Sarjapur Outer Ring Road Bengaluru, Bangalore KA 560103 India

The nature of business of all companies, apart from those noted above, is that of information technology consultancy.

Roboyo Midco Limited (Company no. 12831705), Roboyo UK Limited (Company no. 12931405), Lean Consulting Limited (Company no.06238784) and Procensol Consulting Ltd (Company no. 06634805) have applied the subsidiary company exemption from audit by virtue of S479A of the Companies Act 2006.

As part of the acquisition of Procensol, the articles of association of Roboyo Opus Bidco Limited were updated to include a call option in favour of Roboyo to acquire the Rollover Sellers shares in Roboyo Opus Bidco Limited and gain 100% control.

16 Acquisition

On 31 August 2022 the group, through its subsidiary Roboyo Bidco UK Limited, acquired the entire issued share capital of Lean Consulting Limited for a consideration of €2,744,407.

	Book Value	Adjustments	Fair Value
	€	€	€
Net assets acquired			
Property, plant and equipment	3,740	-	3,740
Trade and other receivables	279,625	-	279,625
Cash and cash equivalents	35,552	-	35,552
Borrowings	(43,470)	-	(43,470)
Trade and other payables	(180,719)	-	(180,719)
	<u>94,728</u>	<u>-</u>	<u>94,728</u>
Total identifiable net assets			
	<u>94,728</u>	<u>-</u>	<u>94,728</u>
Goodwill			2,649,679
Total consideration			<u>2,744,407</u>

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Acquisition (Continued)

The consideration was satisfied by: €

Cash	1,262,574
Deferred consideration	671,376
Issue of shares	587,791
Deal cost	222,666
	<u>2,744,407</u>

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition: €

Turnover	649,772
Profit after tax	<u>187,475</u>

On 31 August 2022 the group, through its subsidiary Roboyo Bidco UK Limited, acquired the entire issued share capital of Tecnologias de Informacao Lda (WeMake) for consideration of €2,211,818.

	Book Value €	Adjustments €	Fair Value €
Net assets acquired			
Property, plant and equipment	307,755	-	307,755
Trade and other receivables	548,109	-	548,109
Cash and cash equivalents	16,335	-	16,335
Borrowings	(89,402)	-	(89,402)
Trade and other payables	(411,770)	-	(411,770)
Total identifiable net assets	<u>371,027</u>	<u>-</u>	<u>371,027</u>
Goodwill			<u>1,840,791</u>
Total consideration			<u>2,211,818</u>

The consideration was satisfied by: €

Cash	1,490,000
Issue of shares	500,000
Deal costs	221,818
	<u>2,211,818</u>

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Acquisition (Continued)

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	€
Turnover	548,104
Profit after tax	31,132

€260k is payable to ongoing management if they remain in employment until the consideration is due. Given this, the contingent consideration for ongoing management will be recognised as an employee expense over the period, with a provision of €43k being made in the financial statements.

On 15 November 2022 the group acquired 62% of the ordinary share capital of Procensol Consulting Ltd and its subsidiary undertakings for a consideration of €10,639,311.

	Book Value €	Adjustments €	Fair Value €
Net assets acquired			
Property, plant and equipment	178,995	-	178,995
Intangible assets	35,445	665,932	701,377
Trade and other receivables	2,606,207	-	2,606,207
Cash and cash equivalents	1,988,790	-	1,988,790
Trade and other payables	(1,546,167)	-	(1,546,167)
Deferred tax	-	(166,483)	(166,483)
Total identifiable net assets	3,263,270	499,449	3,762,719
Less minority interest			(1,429,833)
			2,332,886
Goodwill			8,306,425
Total consideration			10,639,311

The consideration was satisfied by: €

Cash	10,183,150
Deal costs	456,161
	10,639,311

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	€
Turnover	2,262,903
Profit after tax	170,801

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Acquisition (Continued)

Roboyo Bidco UK Limited owns 62% of Roboyo Opus Bidco Limited, the acquisition vehicle. The remaining 38% of Roboyo Opus Bidco Limited is owned by the previous shareholders of Procensol as part of the consideration was Rollover Sellers shares in Roboyo Opus Bidco Limited.

As part of the acquisition of Procensol, the articles of association of Roboyo Opus Bidco Limited were updated to include a call option in favour of Roboyo to acquire the Rollover Sellers shares in Roboyo Opus Bidco Limited and gain 100% control.

17 Stocks

	Group 2022 €	2021 €	Company 2022 €	2021 €
Goods for resale	1,871,786	-	545,239	-

During the year, an impairment loss on goods for resale of £389,457 (2021: £nil) was recognised within cost of sales.

18 Debtors

	Group 2022 €	2021 €	Company 2022 €	2021 €
Amounts falling due within one year:				
Trade debtors	11,266,326	7,548,815	-	-
Corporation tax recoverable	-	161,224	-	-
Amounts owed by group undertakings	-	-	1,707,239	815,311
Other debtors	381,359	201,937	341,122	41,734
Prepayments and accrued income	879,863	740,868	129,175	56,139
	12,527,548	8,652,844	2,177,536	913,184
Deferred tax asset (note 22)	508,521	636,477	-	-
	13,036,069	9,289,321	2,177,536	913,184

Amounts owed by group undertakings are unsecured, incur no interest and repayable on demand.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

19 Creditors: amounts falling due within one year

	Notes	Group 2022 €	2021 €	Company 2022 €	2021 €
Bank loans	21	14,612,346	-	-	-
Trade creditors		4,597,859	2,237,248	1,596,113	50,165
Amounts owed to group undertakings		-	-	341,774	1,129,097
Corporation tax payable		1,081,940	801,347	-	-
Other taxation and social security		3,059,280	2,047,108	24,657	34,938
Deferred income		3,590,821	2,702,966	-	-
Other creditors		126,457	282,859	13,625	5,951
Accruals		1,595,612	1,680,327	14,768	-
Deferred consideration		12,788	334,197	-	-
		<u>28,677,103</u>	<u>10,086,052</u>	<u>1,990,937</u>	<u>1,220,151</u>

Amounts owed by group undertakings are unsecured, incur no interest and repayable on demand.

20 Creditors: amounts falling due after more than one year

	Notes	Group 2022 €	2021 €	Company 2022 €	2021 €
Bank loans and overdrafts	21	11,540,509	6,425,440	-	-
Other borrowings	21	73,602,076	67,654,232	73,602,076	67,654,232
Amounts owed to group undertakings		-	-	2,211,761	-
Contingent consideration		671,376	-	-	-
		<u>85,813,961</u>	<u>74,079,672</u>	<u>75,813,837</u>	<u>67,654,232</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	6,425,440	-	-
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21 Borrowings

	Group 2022 €	2021 €	Company 2022 €	2021 €
Bank loans	26,152,855	6,425,440	-	-
Preference shares	73,602,076	67,654,232	73,602,076	67,654,232
	<u>99,754,931</u>	<u>74,079,672</u>	<u>73,602,076</u>	<u>67,654,232</u>
Payable within one year	14,612,346	-	-	-
Payable after one year	<u>85,142,585</u>	<u>74,079,672</u>	<u>73,602,076</u>	<u>67,654,232</u>

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

21 Borrowings (Continued)

On 21 June 2021, the group agreed a facilities agreement comprising a bank loan of €6,700,000 and a revolving facility of €1,000,000. The bank loan of €6,700,000 is repayable on 21 June 2027. Interest on the loan is being charged at a rate of 7% per annum. The amount outstanding at 31 December 2022 of €6,425,440 (2021: €6,425,440), included the offsetting of €274,560 of borrowing costs against the bank loan. The revolving facility of €1,000,000 (2021: €nil) was outstanding at 31 December 2022, repayable on demand, with interest being charged at 6.77% per annum.

On 31 August 2022, the group utilised existing acquisition facilities by drawing further debt funding of €5,000,000. The additional loan is repayable on 21 June 2027 and incurs interest of 7% per annum. The amount outstanding at 31 December 2022 was €5,115,068 (2021: €nil) including interest of €115,068.

On 15 November 2022, the group has agreed a bridge financing deal of €13,400,000 as part of the existing facilities. The bridge loan is payable 11 months from execution date being September 2023 and incurs interest of 10% which is payable on repayment. The amount outstanding at 31 December 2022 was €13,568,877 (2021: €nil) including interest of €168,877.

At 31 December 2022, the group had a bounce bank loan of €43,470 (2021: €nil) from the acquisition of Lean Consulting Limited, which is repayable in January 2023.

The bank loans are secured by a fixed and floating charge over the assets of the company and by a pledge over the shares of several subsidiaries of the company.

Throughout the period, the group issued 515,252 (2021: 63,146,022) €0.01 preference shares for total consideration of €515,252 (2021: €63,146,022). At 31 December 2022, total consideration was €63,661,274 (2021: €63,146,022) for the €0.01 preference shares that were in issue.

The preference shares are redeemable at par by 4 September 2026 or earlier or earlier on the date of completion of the Sale or Listing, and carry a fixed cumulative dividend of 8% per annum and shall, for the purposes of calculating the preference share dividend accruing, be compounded with the issue price on 18 June 2021 and on 31 December each year. The preference share dividend is payable on date of redemption or buy back of the preference shares to which they relate. The total accrued as at 31 December 2022 was €9,240,277 (2021: €4,508,210).

The company may, with investor approval, redeem some or all of the preference shares, if any redemption is performed in accordance with the company's articles.

Preference shares have the right to a preferential dividend and to preferential capital distribution (including distribution on winding up) and rights of redemption. They do not confer any voting rights.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

22 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2022 €	Liabilities 2021 €	Assets 2022 €	Assets 2021 €
Group				
Tax losses	-	-	508,521	636,477
Assets measured at fair value on acquisition	1,263,101	1,458,420	-	-
	<u>1,263,101</u>	<u>1,458,420</u>	<u>508,521</u>	<u>636,477</u>

The company has no deferred tax assets or liabilities.

	Group 2022 €	Company 2022 €
Movements in the year:		
Liability at 1 January 2022	821,943	-
Credit to profit or loss	(212,104)	-
Movements in respect of foreign exchange	(21,742)	-
Assets measured at fair value on acquisition	166,483	-
Liability at 31 December 2022	<u>754,580</u>	<u>-</u>

The unrecognised deferred tax asset at 31 December 2022 with respect of the group was €2,547,581 (2021: €617,714) and with respect to the company was €391,856 (2021: €124,929).

23 Retirement benefit schemes

	2022 €	2021 €
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,277,452</u>	<u>983,310</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The amounts outstanding at the year end were €87,494 (2021: €34,553) and are included within accruals.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

24 Share capital

	Group and Company			
	2022	2021	2022	2021
	Number	Number	€	€
Ordinary share capital				
Issued and fully paid				
A Ordinary shares of €0.01 each	474,000	474,000	4,740	4,740
B Ordinary shares of €0.01 each	326,000	326,000	3,260	3,260
B1 Ordinary shares of €0.01 each	242,100	242,100	2,421	2,421
B2 Ordinary shares of €0.01 each	90,407	77,400	904	774
B3 Ordinary shares of €0.01 each	110,400	110,400	1,104	1,104
C Ordinary shares of €0.01 each	173,534	184,800	1,735	1,848
D1 Ordinary shares of €0.01 each	238,400	238,400	2,384	2,384
D2 Ordinary shares of €0.01 each	115,600	115,600	1,156	1,156
	<u>1,770,441</u>	<u>1,768,700</u>	<u>17,704</u>	<u>17,687</u>
Preference share capital				
Issued and fully paid				
Preference shares of €0.01 each	<u>63,661,274</u>	<u>63,146,022</u>	<u>636,613</u>	<u>631,460</u>
Preference shares classified as debt			<u>(636,613)</u>	<u>(631,460)</u>
Preference shares classified as equity			<u>-</u>	<u>-</u>
Total equity share capital			<u>17,704</u>	<u>17,687</u>

On 14 March 2022, 11,266 C Ordinary shares with a par value of €0.01 were repurchased by the company at €1.00 each and subsequently cancelled.

On 31 August 2022, 6,005 B2 Ordinary shares with a par value of €0.01 were issued for €43.65 each, which were issued as part of the consideration for the shares in WeMake. On the same day, 7,002 B2 Ordinary shares with a par value of €0.01. were issued for €43.65 each, which were issued as part of the consideration for the shares in Lean Consulting Limited.

On 31 August 2022, 237,868 preference shares with a par value of €0.01 were issued for €1 each which were issued as part of the consideration for the shares in WeMake. On the same day, 277,384 preference shares with a par value of €0.01 were issued for €1 each which were issued as part of the consideration for the shares in Lean Consulting Limited.

A, B and D1 Ordinary shares have full voting rights, are entitled to a dividend distribution subject to investor approval and to a capital distribution (including on a winding up). They do not confer any rights of redemption.

B1, B2, B3, C and D2 Ordinary shares have rights to a dividend distribution subject to investor approval and to a capital distribution (including on a winding up). They do not confer any rights of redemption or voting rights.

Preference shares have the right to a preferential dividend and to preferential capital distribution (including distribution on winding up) and rights of redemption. They do not confer any voting rights.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Reserves

Share-based payment reserve

The cumulative share-based payment expense, on shares of the company issued at a discount to market value to the employees of the group.

Profit and loss reserves

Profit and loss reserves comprise of the cumulative profit or loss net of distributions to owners.

Share premium reserve

The share premium reserve reflects consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The company's authority to purchase its own shares is set out in its Articles of Association and approved by the shareholders at the Annual General Meeting.

Own share reserve

During the year the company, through the Roboyo Group Employee Benefit Trust Limited ("EBT"), purchased 33,333 C Ordinary shares for £297,025 by buying back shares from employees. The maximum number of own shares held during the year was 34,333 (2021: nil), having a nominal value of £343. Subsequent to this, 11,266 C Ordinary shares with a par value of €0.01 were repurchased by the company and subsequently cancelled.

26 Cash absorbed by group operations

	2022 €	2021 €
Loss for the year after tax	(18,289,043)	(13,943,790)
Adjustments for:		
Taxation credited	(204,647)	(342,070)
Finance costs	6,739,955	4,791,366
Contingent consideration employee charge	-	86,716
Amortisation and impairment of intangible assets	8,047,181	6,570,896
Depreciation and impairment of tangible fixed assets	96,188	84,415
Equity settled share based payment expense	-	393,325
Movements in working capital:		
Increase in stocks	(1,871,786)	-
Increase in debtors	(601,986)	(2,968,008)
Increase in creditors	2,182,383	3,326,030
Cash absorbed by operations	(3,901,755)	(2,001,120)

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

27 Analysis of changes in net debt - group

	1 January 2022 €	Cash flows €	Acquisitions €	Other non-cash changes €	Exchange rate movements €	31 December 2022 €
Cash at bank and in hand	4,181,058	(849,014)	2,040,677	-	(338,121)	5,034,600
Borrowings excluding overdrafts and preference shares	(6,425,440)	(19,310,598)	(132,872)	(283,945)	-	(26,152,855)
Preference shares classified as debt	(67,654,232)	(515,009)	-	(5,432,835)	-	(73,602,076)
	<u>(69,898,614)</u>	<u>(20,674,621)</u>	<u>1,907,805</u>	<u>(5,716,780)</u>	<u>(338,121)</u>	<u>(94,720,331)</u>

Other non-cash changes relate to unpaid dividends on preference shares and accrued interest within debt.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

28 Financial commitments, guarantees and contingent liabilities

In order for the subsidiary companies as noted in note 15 to take the audit exemption in section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of those subsidiary companies at 31 December 2022 until those liabilities are satisfied in full.

The bank loans are secured by a fixed and floating charge over the assets of the company and by a pledge over the shares of several subsidiaries of the company.

29 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 €	2021 €	Company 2022 €	2021 €
Within one year	725,739	45,847	-	-
Between one and five years	1,387,589	65,328	-	-
	<u>2,113,328</u>	<u>111,175</u>	<u>-</u>	<u>-</u>

30 Events after the reporting date

Convertible loan notes

Subsequent to the year end, Roboyo Group Limited issued €7,500,000 fixed rate unsecured convertible loan notes. €5,033,102.30 were subscribed for by MML Capital Europe VI S.A. and €2,466,897.70 were subscribed for by Scania Growth Capital II AB. Interest shall accrue on any outstanding loan notes at a rate of 10% per annum, calculated on the basis of a 365-day year and the actual number of days elapsed since the date of issue of the loan notes.

On a conversion event, all outstanding notes will automatically be converted into fully paid D1 Ordinary Shares and Preference Shares at the Conversion Price (being the Redemption Price of all Notes to be converted). A conversion event will occur on the earlier of the following events; immediately prior to completion of a fundraising event (issuing €13,400,000 or more in aggregate from the issue of shares); or on 30 September 2023. Outstanding loan notes (so far as not converted) shall be redeemed upon the date of completion of any change of control, the date of any event of default, or such other date as may be determined by the Company with the approval of a Noteholder Majority.

Investment

On 26 September 2023 the business received a strategic investment from Stanley Capital Partners (SCP), a European-focused mid-market private equity firm. SCP will work in partnership with the existing private equity backers, MML Capital and the management team. The investment will fund the repayment of much of the Investec loan and provide capital for future M&A.

ROBOYO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

31 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2022 €	2021 €
Aggregate compensation	1,872,692	998,291

Transactions with related parties

Summary of transactions with other related parties

During the year, Roboyo UK Limited purchased services from a company under common directorship in relation to consulting and implementation work. These services amounted to €nil (2021: €1,120) and at 31 December 2022, the balance outstanding was €nil (2021: €1,120).

During the year, Roboyo UK Limited purchased services from a subsidiary company under common ownership amounting to €41,571 (2021: €nil). €41,571 was outstanding at the year end (2021: €nil).

Included within the Preference shares as disclosed in note 19, is a principal amount of €10,147,880 (2021: €10,147,880) which is owed to directors and key management of the company and its subsidiaries undertakings.

Summary of transactions with company under common directorship

Included within the Preference shares as disclosed in note 19, is a principal amount of €22,428,225 (2021: €22,428,225).

During the year, consultancy and monitoring services were provided by MML amounting to €84,191 (2021: €nil) during the year. €84,191 was outstanding at the year end (2021: €nil).

32 Controlling party

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