AdvancedAdvT Limited

Registered in BVI with company number 2040954
UK establishment number FC037739

Consolidated Financial Statements for the year to

30 June 2022

Contents

Chairperson's Report

2022 has seen a marked step up in our activities as we continued to focus on our objective to complete a business combination and generate attractive long-term returns for shareholders. We are now seeing acquisition valuations falling against the macro-economic backdrop and are in a strong position with a pipeline of opportunities and £104m of cash to support our strategy.

M&C Saatchi plc ("M&C")

We identified an opportunity to invest in an area of the market which had experienced and has the potential to deliver significant digital related growth and opportunity. An initial investment, purchasing 9.82% of the issued share capital of M&C, was followed up with an offer to acquire the remainder of M&C.

On 14 June 2022, the Company published a Final Offer for M&C. On 8 September 2022, the Company announced that acceptances of its Final Offer must be received by 30 September 2022 and despite some shareholder support we did not receive sufficient acceptances to reach the 90% acceptance condition and the Final Offer lapsed.

This was a disappointing outcome given the 42.5% support from M&C shareholders in our announcement on 17 May 2022. We believed the Final Offer was beneficial to all the Company's and M&C stakeholders, introducing new cash to fuel accelerated growth and investment.

As a significant shareholder in M&C, we will continue to assess all potential value creation opportunities for M&C.

The Market Opportunity

We aim to take advantage of the reduction in valuations and proactively seek opportunities to invest in businesses that are positioned to benefit from the structural changes arising from the acceleration of digitalisation and the macro environment.

Our searches and evaluations over the last 12 months resulted in unearthing other potential opportunities which proved sufficiently compelling to merit careful consideration and assessment. These were good businesses which we believed could have potentially met our objectives. However, we also note the importance of being highly selective of those opportunities and investing at the right valuation.

2022 has presented new challenges including the impact of the conflict in Ukraine, global inflation, disruptions to global supply chains, increasing interest rates, currency movements and general market volatility. Amidst this disruption and resulting lower levels of valuation, the Company will continue to apply a disciplined approach. We believe these new challenges and reduction in valuations will present new investment opportunities.

Despite the wide and varied challenges, digital adoption has remained strong. Consumers, businesses, and governments are dealing with increasing economic and geopolitical uncertainties but have maintained a strong focus on utilising technology to help businesses become more resilient, improve efficiency, and enhance decision making. The importance of digital technologies and solutions to provide productivity and competitive gains are as important as ever.

We continue to evaluate high-quality businesses in our pipeline against a common set of characteristics which we believe are essential to our strategy and best position a business to consistently generate long-term value. These include:

- highly predictable revenue streams;
- high customer retention;
- products or services with high barriers to entry;
- extensive growth opportunities;
- significant free cash flow generation; and
- well run businesses in fragmented industries with potential for consolidation.

We believe that our strong cash position, the current economic downturn combined with our disciplined and patient approach, will put us in a prime position to execute on our strategy.

Finally, I would like to take this opportunity to thank all my fellow shareholders for their continued support over this financial year.

Vin Murria OBE
Chairperson
13 October 2022

Management Report

I present to shareholders the audited consolidated Financial Statements of AdvancedAdvT Limited (the "**Company**") for the year to 30 June 2022 (the "**Financial Statements**"), consolidating the results of AdvancedAdvT Limited and MAC I (BVI) Limited (collectively, the "**Company**" or "**AdvT**").

Strategy

The Company was incorporated with limited liability under the laws of the British Virgin Islands (**"BVI"**) under the BVI Companies Act on 31 July 2020 and subsequently listed on the Main Market of the London Stock Exchange on 4 December 2020. The Company was formed to seek and identify situations where a merger of management expertise, improving operating performance, freeing up cashflow for investment and implementation of a focused investment and M&A strategy can unlock growth in their core markets and often into new territories and adjacent sectors.

The Company's objective is to generate attractive long-term returns for shareholders and to enhance value by supporting sustainable growth, acquisitions and performance improvements within the acquired companies.

Over the past quarter of a century companies across all sectors have increasingly adopted new digital technologies to optimise business engagements processes and operations. Implementing these new technologies has become central to driving cost efficiencies, delivering returns on investments and gaining a competitive advantage in a digital world. Sectors and businesses with the highest level of digitalisation display the largest productivity growth.

Despite the opportunities presented by digitalisation, pre-Covid-19 adoption of new digital strategies by businesses and consumers was in part restricted by the willingness of companies to invest in and adopt such technologies and offerings. The global restrictions caused by Covid-19 have helped to break down these barriers and forced businesses to become more agile which has considerably accelerated digitalisation. Despite businesses cutting costs because of the Covid-19 pandemic, spending on digital transformation has increased as organisations rapidly adapt their business models.

We believe there is significant opportunity to invest in companies that are positioned to take advantage of the structural change arising from an unprecedented acceleration of digitalisation brought about by the current macroeconomic environment, affecting the way people live, work and consume, and the way businesses operate, engage and sell to customers. Businesses providing digital, software and services enabling digitalisation will therefore be expected to maintain an increased demand for their products.

There may be significant competition for some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, special purpose acquisition companies and public and private investment funds, many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. Therefore, the Company may identify an acquisition or investment opportunity in respect of which it incurs costs, for example through due diligence and/or financing, but may not be able to successfully conclude such opportunity with its own resources.

The management team have significant experience in the software and services sector having invested in and/or operated a range of high performing businesses. Management has successfully driven operational excellence within these businesses to deliver organic growth and has a track record of carrying out targeted accretive M&A in the software sector, having completed more than 85 bolt-on acquisitions.

Activity and Share Capital

On 5 January 2021, the Company acquired 12,000,000 ordinary shares of M&C at a price of £2.00 per share, representing a non-controlling interest of c.9.82 per cent. of the current issued share capital of M&C. The

Company viewed this as a good investment opportunity and subsequently entered discussions with the board of M&C exploring the opportunity for a possible merger.

On 17 May 2022, under rule 2.7 of the Takeover Code, the company announced a firm offer for the share capital of M&C.

On 20 May 2022 a competitive offer, which at the time was recommended by the board of M&C, was made for the share capital of M&C by Next Fifteen Communications Plc (**"NFC"**).

On 14 June 2022 the Company published its formal offer and prospectus in relation to the proposed acquisition of M&C.

On 17 June 2022, the board of M&C rescinded their recommendation of the NFC offer on the grounds of their falling share price and the implied value this offer represented.

On 8 September 2022, the Company published an acceleration statement in accordance with Rule 31.5 of the Takeover Code and announced that acceptances of the Company's Final Offer must be received by 1.00pm (London time) on the new Unconditional Date of 30 September 2022.

Unfortunately, on 30 September 2022, the Company did not receive sufficient acceptances to reach the 90% acceptance condition, and the Final Offer lapsed.

Outlook

We believe that the significant macroeconomic uncertainty and disruption across a number of industries is likely to result in accelerated structural change in certain sectors which will result in the emergence of a number of investment opportunities. We also note the importance of being highly selective of those opportunities and will seek out situations whereby target businesses meet our set criteria and will help deliver against our objective. We continue to progress discussions in relation to potential target businesses.

Financial Performance

The Company's loss after taxation for the period to 30 June 2022 was £7,715,383 (2021: loss £2,546,025). The Company incurred administrative expenses, largely in respect of the M&C offer, during the year of £3,262,300 (2021: £2,552,079), other losses related to the fair value adjustment of our investment in M&C of £4,800,000 (2021: £nil), received interest of £346,917 (2021: £6,054) and at 30 June 2022 held a cash balance of £104,169,997 (2021: £129,244,447). After deducting costs accrued in respect of operating and transaction-related expenses, the net asset position was £121,657,829 (2021: £129,277,358), resulting in a Net Asset Value per share (NAV) of 91.3pence.

Dividend Policy

It is the Board's policy that prior to an acquisition, no dividends will be paid. The Company has not yet acquired a trading operation and we therefore consider it inappropriate to make a forecast of the likelihood of any future dividends. Following an acquisition, and subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and commercially prudent to do so.

Statement of Going Concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future. The Company had cash resources of £104,169,997 at 30 June 2022 and net assets of £121,657,829. We have considered the financial position of the Company and have reviewed forecasts and budgets for a period of at least 12 months following the approval of the Financial Statements.

Ongoing costs and expenses incurred in connection with seeking to identify acquisition opportunities (excluding any project specific costs incurred in pursuit of an acquisition opportunity) are estimated to be no more than

£500,000 per annum. Subject to the structure of any potential transaction, the Company may need to raise additional funds for the acquisition in the form of equity and/or debt, which has not been factored into our going concern assessment as this will be dependent on the size and nature of the platform acquisition.

Furthermore, we have considered the expected impact of the Covid-19 pandemic and Ukraine conflict on the Company's forecast cashflows and liabilities, concluding that prior to completing a transaction, the pandemic and conflict has no material impact on the Company due to the nature of its operations. As a result, we have concluded that, at the date of approval of the Financial Statements, the Company has sufficient resources for the foreseeable future and can continue to execute its stated strategy. Accordingly, it is appropriate to adopt the going concern basis in the preparation of the Financial Statements.

Corporate Governance

As a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Board is committed to maintaining high standards of corporate governance and will consider whether to voluntarily adopt and comply with the UK Corporate Governance Code as part of any acquisition, taking into account the Company's size and status at that time.

The Company currently complies with the following principles of the UK Corporate Governance Code:

- The Company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.
- The Board ensures that it has the policies, processes, internal control framework, information, time and resources it needs to function effectively and efficiently.
- The Board ensures that the necessary resources are in place for the company to meet its objectives and measure performance against them.

Given the size and nature of the Company, the Board has not established any committees and intends to make decisions as a whole. If the need should arise in the future, for example following any acquisition, the Board may set up committees as appropriate.

The Directors of the Company who have served during the period and at the date of this report are:

Vin Murria	(Chairperson)	
Gavin Hugill	(Chief Operating Officer)	
James Corsellis	(Non-Executive Director)	Resigned 16 May 2022
Mark Brangstrup Watts	(Non-Executive Director)	Appointed 16 May 2022
Karen Chandler	(Non-Executive Director)	

Directors' Interests

Other than Vin Murria, who holds 13.14 per cent. of the issued share capital of the Company as at 30 June 2022 and at the date of this report, the other Directors have no direct interests in the Ordinary Shares of the Company.

All of the Directors have interests in the participation shares, as detailed in 14 to the Financial Statements.

James Corsellis and Mark Brangstrup Watts are managing partners of Marwyn Investment Management LLP[1] which holds 15.41 per cent. of the issued share capital of the Company as at 30 June 2022 and at the date of this report. James Corsellis and Mark Brangstrup Watts are also managing partners of Marwyn Capital LLP, a firm

[1] Marwyn Investment Management LLP is the manager of Marwyn Value Investors II LP ("MVI II"), the entity which beneficially owns 15.41% of the ordinary shares issued by the Company and 1 sponsor share in the Company.

which previously provided corporate finance advice to the Company and currently provides managed services support. Details of the related party transactions which occurred during the period are disclosed in note 16.

There were no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors.

Substantial Shareholdings

As at 31 August 2022 (the latest practicable date prior to the publication of this Report), the following had disclosed an interest in the issued ordinary share capital of the Company (being 3% or more of the voting rights in the Company) complying with the requirements of the Disclosure and Transparency Rules (the "DTRs"):

	Ordinary Shares Held	Percentage of Issued Share Capital
Marwyn Investment Management LLP	20,525,000	15.41%
BGF Investment Management Limited	20,000,000	15.02%
Vin Murria	17,500,000	13.14%
Artemis Fund Managers Limited	10,454,394	7.85%
Amati Global Investors Limited	8,000,000	6.01%
Investec Wealth & Investment	7,493,059	5.63%
CRUX Asset Management	6,675,000	5.01%
Gresham House Asset Management Limited	6,500,000	4.88%
Chelverton Asset Management Limited	6,000,000	4.50%
Canaccord Genuity Wealth Management	5,485,000	4.12%
Dowgate Capital Limited	4,086,228	3.07%

Directors' Emoluments

Directors' emoluments during the period are disclosed in note 5.

Board Interaction

Board meetings are held formally on a quarterly basis and diarised in advance. Ad hoc meetings are held by the Board of Directors as and when required. The Chairman is primarily responsible for the running of the Board. The Board understands that it is critical for Board meetings to be well managed and balanced for the business to successfully deliver and achieve its strategy. The Chairman is responsible for the Board meeting agenda, which, for periodic meetings, is agreed in advance of each Board meeting and prepared based on an agreed Board standing agenda. The board pack is prepared and circulated to the Board approximately a week prior to the meeting. For ad hoc meetings, the agenda is agreed with the Chairman and circulated to the Board along with supporting papers as soon as practicable prior to the meeting. Board packs capture all ongoing corporate governance requirements. The Board is presented with papers to support its discussions including timely financial information, investor relations information, subsidiary management reporting and details of potential acquisition targets and current status.

The Company's culture is to openly and frequently discuss any important issues both at and outside of formal meetings.

All Board members have full access to the Company's advisers for seeking professional advice at the Company's expense.

Risks

The Directors have carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency, or liquidity. The Company has published its principal risks in the Company's prospectuses dated 4 December 2020, 18 March 2021 and 31 March 2022. The Directors are of the opinion that the risks detailed in the Company's prospectus dated 31 March 2022 remain applicable for the current financial year. Details of the risks faced by the Company are set out at the end of this report (pages 35 onwards). The prospectus and detailed risks can also be found on the Company's website[2].

The Company's risk management framework incorporates a risk assessment that identifies and assesses the strategic, operation and financial risks facing the business and mitigating controls. The risk assessment is documented through a risk register which categorises the key risks faced by the business into

- business risks;
- shareholder risks;
- financial and procedural risks; and
- risks associated with the acquisition process.

The risk assessment identifies the potential impact and likelihood of each of the risks detailed on the risk register and factors/actions have also been identified.

The Company's risk management process includes both formal and informal elements. The size of the Board and the frequency with which the directors interact ensures that risks, or changes to the nature of the Company's existing risks, are identified, discussed, and analysed quickly. The Company's governance framework, including formal periodic board meetings with standing agendas, ensures that the Company has a formal framework in place to manage the review, consideration, and formal approval of the risk register, including risk assessment.

[2] https://s26.q4cdn.com/993376269/files/doc_downloads/2021/08/18/AdvT-Prospectus-PDF-v0.372-(2).pdf

Responsibility Statement

Each of the Directors confirms that, to the best of his or her knowledge:

(a) these Financial Statements, which have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(b) these Financial Statements comply with the requirements of DTR 4.1; and

(c) the Management report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

(d) the annual report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the financial report except to the extent that such liability could arise under applicable law.

Details on the Company's Board of Directors can be found on the Company's website at www.advancedadvt.com.

Vin Murria OBE
Chairman
13 October 2022

Independent Auditor's Report to the Members of Advancedadvt Limited

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CHANNEL ISLANDS

Opinion

We have audited the consolidated financial statements of AdvancedAdvT Limited (the "Company" and, together with its subsidiary, the "Group"), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs); and
- have been prepared in accordance with the requirements of the BVI Business Company Act 2004, as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter	Key observations communicated to those charged with governance
Investment Ownership and Valuation The risk that the Company does not hold the rights and obligations in the respective investments and the value the investments are materially misstated.	Our audit procedures included, but were not limited to: • Obtaining and agreeing the investments purchased during the year to independent custodian confirmations. • For the Company's level 1 investment we have agreed the value, price used and level of trading in determining the investment value to a third-party source (LSE website). We have agreed the fair value of the investment and the unrealised movement to the client investment schedule.	We have no issues to report from our testing and the investments balance appears reasonable.

Our Application of Materiality

Materiality for the consolidated financial statements as a whole was set at £3,041,000 (PY: £1,292,000) determined with reference to a benchmark of Net Assets, of which it represents 2.5% (PY: 1% of Gross Assets).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the consolidated financial statements as a whole.

Performance materiality was set at 70% (PY: 70%) of materiality for the consolidated financial statements as a whole, which equates to £2,128,000 (PY: £904,000). We applied this percentage in our determination of performance materiality with regard to the Company being listed on the main market of the London Stock Exchange.

We reported to the Audit Committee any uncorrected omissions or misstatements exceeding £151,950 (PY: 64,000), in addition to those that warranted reporting on qualitative grounds.

In addition, we have allocated specific materiality for finance income, administrative expenses, trade and other receivables and trade and other payables. We considered a threshold of £120,000 (PY: £38,000) to be an indicator of materiality for these specific areas based on 1.5% (PY: 1.5%) of total expenses. Specific materiality has been used in these areas due to their lower value and to ensure we have performed adequate audit work in these areas. The specific performance materiality for these areas was also set at 70% (PY: 70%) and equates to £84,600 (PY: £26,500). We report, to the Risk and Audit Committee, all corrected and uncorrected misstatements we identified through our audit, in these areas, with a value in excess of £6,000 (PY: £1,900) in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Conclusions relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company’s ability to continue as a going concern for a period of at least twelve months from when the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements themselves. If, based on the work 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.

Responsibilities of the Directors

As explained more fully in the Directors’ responsibility report set out on page 9, the Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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

- Enquiry of management to identify any instances of non-compliance with laws and regulations, including actual, suspected or alleged fraud;
- Reading minutes of meetings of the Board of Directors;
- Review of legal invoices;
- Review of management's significant estimates and judgements for evidence of bias;
- Review for undisclosed related party transactions;
- Obtained and reviewed bank statements as well as reviewed ledgers and minutes to ensure revenue is complete and as per our expectations;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Undertaking journal testing, including an analysis of manual journal entries to assess whether there were large and/or unusual entries pointing to irregularities, including fraud.

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

This description forms part of our auditor's report.

Other Matters which we are Required to Address

We were appointed by AdvancedAdvT Limited on 22 September 2021 to audit the consolidated financial statements. Our total uninterrupted period of engagement is 2 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs.

Use of this Report

This report is made solely to the Members of the Company, as a body, in accordance with our letter of engagement dated 22 September 2022. Our audit work has been undertaken so that we might state to the 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 its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sandy Cameron
For and on behalf of Baker Tilly Channel Islands Limited
Chartered Accountants
St Helier, Jersey
Date: 13 October 2022

Consolidated Statement of Comprehensive Income

	Note	Year ended 30 June 2022 Audited £	Period ended 30 June 2021 Audited £
Administrative expenses	6	(3,262,300)	(2,552,079)
Other (losses)	9	(4,800,000)	-
Operating loss		(8,062,300)	(2,552,079)
Finance Income		346,917	6,054
Loss before income taxes		(7,715,383)	(2,546,025)
Income tax	7	-	-
Loss for the period		(7,715,383)	(2,546,025)
Total comprehensive loss for the period attributable to owners of the parent		(7,715,383)	(2,546,025)
Loss per ordinary share (£)			
Basic	8	(0.06)	(0.06)
Diluted	8	(0.06)	(0.06)

The Company's activities derive from continuing operations.

The Notes on pages 18 to 33 form an integral part of these Financial Statements.

Consolidated Statement of Financial Position

	Note	As at 30 June 2022 £	As at 30 June 2021 £
Non-current assets			
Financial asset at fair value through profit or loss	9	**19,200,000**	-
		19,200,000	-
Current assets			
Trade and other receivables	10	**101,485**	229,746
Cash and cash equivalents	11	**104,169,997**	129,224,447
Total current assets		**104,271,482**	129,454,193
Total assets		**123,471,482**	129,454,193
Equity and liabilities			
Equity			
Sponsor share	13	**2**	2
Ordinary shares	13	**131,166,131**	131,166,131
Warrant reserve	3	**98,000**	98,000
Warrant cancellation reserve		**350,000**	350,000
Share-based payment reserve	14	**305,104**	209,250
Accumulated losses		**(10,261,408)**	(2,546,025)
Total equity		**121,657,829**	129,277,358
Current liabilities			
Trade and other payables	12	**1,813,653**	176,835
Total liabilities		**1,813,653**	176,835
Total equity and liabilities		**123,471,482**	129,454,193

The Notes on pages 18 to 33 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 13 October 2022 and were signed on its behalf by:

Vin Murria
Chairman

Mark Brangstrup Watts
Director

Consolidated Statement of Changes in Equity

	Notes	Sponsor share £	Ordinary shares £	Class A shares £	Warrant reserves £	*Warrant Cancellation Reserve £*	Share based payment reserve £	Accumulated losses £	Total equity £
Balance as at 31 July 2020		-	-	-	-	-	-	-	-
Issuance of 1 ordinary share	13	-	1	-	-	-	-	-	1
Redesignation of 1 ordinary share	13	1	(1)	-	-	-	-	-	-
Issuance of 700,000 ordinary shares and matching warrants	13	-	602,000	-	98,000	-	-	-	700,000
Share issue costs	13		(275,300)			-			(275,300)
Issuance of 2,500,000 Class A shares and matching warrants		-	-	2,150,000	350,000	-	-	-	2,500,000
Conversion of 2,500,000 Class A shares		-	2,150,000	(2,150,000)	(350,000)	350,000	-	-	-
Issuance of 130,000,000 ordinary shares		-	130,000,000	-	-	-	-	-	130,000,000
Share issue costs	13	-	(1,310,569)	-	-	-	-	-	(1,310,569)
Issuance of 1 sponsor share	13	1	-	-	-	-	-	-	1
Total comprehensive loss for the period		-	-	-	-	-	-	(2,546,025)	(2,546,025)
Share-based payment expense	14	-	-	-	-	-	209,250	-	209,250
Balance as at 30 June 2021		**2**	**131,166,131**	**-**	**98,000**	**350,000**	**209,250**	**(2,546,025)**	**129,277,358**
Total comprehensive loss for the period		-	-	-	-	-	-	(7,715,383)	(7,715,383)
Share-based payment expense	14	-	-	-	-	-	95,854	-	95,854
Balance as at 30 June 2022		2	131,166,131	-	98,000	350,000	305,104	(10,261,408)	121,657,829

The Notes on pages 18 to 33 form an integral part of these Financial Statements.

Consolidated Statement of Cash Flows

	Note	For the year ended 30 June 2022 £	For the period ended 30 June 2021 £
Operating activities			
Loss for the period		(7,715,383)	(2,546,025)
Adjustments to reconcile total operating loss to net cash flows:			
Deduct interest income		(281,430)	(6,054)
Fair Value adjustment on Investment		4,800,000	-
Add back share based payment expense		95,854	194,250
Working capital adjustments:			
Decrease / (increase) in trade and other receivables and Prepayments		128,261	(229,746)
Increase in trade and other payables		1,636,818	60,991
Net cash flows used in operating activities		(1,335,880)	(2,526,584)
Investing Activities			
Purchase of Investment	9	(24,000,000)	-
Interest income		281,430	6,054
Net cash flows (used in)/from investing activities		(23,718,570)	6,054
Financing activities			
Proceeds from issue of ordinary share capital and matching warrants	13	-	133,200,002
Proceeds from issue of A share capital in MAC I (BVI) Limited	14	-	130,844
Cost of share issuance	13	-	(1,585,869)
Net cash flows from financing activities		-	131,744,977
Net (decrease)/increase in cash and cash equivalents		(25,054,450)	129,224,447
Cash and cash equivalents at the beginning of the period		129,224,447	-
Cash and cash equivalents at the end of the period	11	104,169,997	129,224,447

The Notes on pages 18 to 33 form an integral part of these Financial Statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

AdvancedAdvT Limited (formerly Marwyn Acquisition Company I Limited) was incorporated on 31 July 2020 in the British Virgin Islands ("BVI") as a BVI business company (registered number 2040954) under the BVI Business Company Act, 2004. The Company was listed on the Main Market of the London Stock Exchange on 4 December 2020 and has its registered address at Commerce House, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands VG1110 and UK establishment at 11 Buckingham Street, London WC2N 6DF. The Company has been formed for the purpose of effecting a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar business combination with one or more businesses. The Company has one subsidiary, MAC I (BVI) Limited (together with the Company, the "Company").

2. ACCOUNTING POLICIES

(a) Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by EU, and are presented in British pounds sterling, which is the presentational and functional currency of the Company. The Financial Statements present the results for the year to 30 June 2022 with a comparative period from incorporation on 30 July 2020 to 30 June 2021.

Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
• certain financial assets and liabilities (investments) – measured at fair value or revalued amount.

Critical accounting estimates
The preparation of the Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 3.

(b) Going concern

At 30 June 2022, the Group has net assets of £121,657,829 and a cash balance of £104,169,997. The Company has sufficient resources to continue to pursue its investment strategy which may include effecting a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar business combination with one or more businesses. Subject to the structure of any acquisition, the Company may need to raise additional funds to finance the acquisition in the form of equity and/or debt. The ability of the Company to raise additional funds in relation to an acquisition may affect its ability to complete that acquisition. Other factors outside of the Company's control may also impact on the Company's ability to complete that acquisition. Details of the risks faced by the Company are set out at the end of this report (pages 35 onwards).

The Directors have considered the ongoing costs and expenses incurred in connection with seeking to identify acquisition opportunities (excluding any project specific costs incurred in pursuit of an acquisition opportunity) which are estimated to be no more than £500,000 per annum.

The Directors have also considered the expected impact of the Covid-19 pandemic and Ukraine conflict on the Company's forecast cashflows and liabilities, concluding that prior to completing a transaction, the pandemic and conflict has no material impact on the Company due to the nature of its operations. As a result, we have concluded that, at the date of approval of the Financial Statements, the Company has sufficient resources for the foreseeable future and can continue to execute its stated strategy. Accordingly, it is appropriate to adopt the going concern basis in the preparation of the Financial Statements.

(c) New standards and amendments to International Financial Reporting Standards

Standards, amendments and interpretation effective and adopted by the Company
IFRSs applicable to the Financial Statements of the Company have been applied for the year ending 30 June 2022 and for the comparative period.

Standards issued but not yet effective
The following standards are issued but not yet effective. The Company intends to adopt these standards, if applicable, when they become effective. It is not expected that these standards will have a material impact on the Company.

Standard	Effective date
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);	1 January 2022
Amendments to IFRS 3: References to Conceptual Framework;	1 January 2022
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*;	1 January 2023
Disclosure of accounting policies (Amendments to IAS 1);	1 January 2023
Extension of temporary exemption of applying IFRS 9 (Amendments to IFRS 4)	1 January 2023
Deferred Tax relating to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);	1 January 2023
Initial Application of IFRS 17 and IFRS 9 – Comparative Information Amendment to IFRS 17)*;	1 January 2023
Definition of accounting estimates (Amendments to IAS 8);	1 January 2023
Amendments to IFRS 17 Insurance contracts	1 January 2023

* Subject to EU endorsement

(d) Basis of consolidation

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

(e) Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(f) Stated capital

Ordinary shares and sponsor shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in the associated stated capital as a deduction from the proceeds.

(g) Share based payments

The A ordinary shares in MAC I (BVI) Limited (the ''**Incentive Shares**''), represent equity-settled share-based payment arrangements under which the Company receives services as a consideration for the additional rights attached to these equity shares.

Equity-settled share-based payments to Directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is expensed, with a corresponding increase in equity, on a straight-line basis from the grant date to the expected exercise date. Where the equity instruments granted are considered to vest immediately, the services are deemed to have been received in full, with a corresponding expense and increase in equity recognised at grant date.

(h) Warrants

On 4 December 2020, the Company issued 700,000 ordinary shares and matching warrants. Under the terms of the warrant instrument, warrant holders can acquire one ordinary share per warrant at a price of £1 per ordinary share. Warrants are accounted for as equity instruments under IAS 32 and are measured at fair value at the date of issue. Fair value of the warrants has been calculated using a Black Scholes option pricing methodology and details of the estimates and judgements used in determining the fair value of the warrants are set out in note 3.

(i) Corporation tax

Corporation tax for the period presented comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is not probable that the related tax benefit will be realised.

(j) Earnings per ordinary share

Earnings per ordinary share ("**EPS**") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

(k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss ("**FVTPL**"), amortised cost, or fair value through other comprehensive income ("**FVOCI**").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding (the "**SPPI Criterion**").

Financial assets are initially measured at their fair value plus, for those financial assets not at fair value through profit or loss, transaction costs.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.
Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in M&C Saatchi plc at FVOCI. The fair value was determined in line with the requirements of IFRS 13 'Fair Value Measurement'.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.
The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Derecognition

A financial asset is primarily derecognised and removed from the consolidated statement of financial position when the rights to receive cash flows from the asset have expired.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.
All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost and in the case of interest-bearing financial liabilities at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Financial Statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Key sources of estimation uncertainty

Share-based payment transactions

There are significant estimates and assumptions used in the valuation of the A ordinary shares in MAC I (BVI) Limited (the "**Incentive Shares**"). Management has considered at the grant date, the probability of a successful first acquisition by the Company and the potential range of values for the Incentive Shares, based on the circumstances on the grant date. The fair value of the Incentive Shares and related share-based payment expense was calculated using a Monte Carlo valuation model. A summary of the terms is set out in note 14.

Ordinary share warrants

As part of the Company's initial fundraising on IPO, the Company issued ordinary shares to a number of investors. For every ordinary share subscribed for, each investor was also granted a warrant ("**Warrant**") to acquire a further ordinary share at an exercise price of £1.00 per share. The Warrants are exercisable at any time until five years after the IPO date, being 4 December 2020. The Warrants were valued using the Black Scholes option pricing methodology which considered the exercise price, expected volatility, risk free rate, expected dividends, and expected term of the Warrants. Of these factors estimates and judgement are required when determining the expected volatility, dividends, and warrant term.

Critical accounting judgements

Coronavirus (COVID-19) pandemic and Ukraine conflict

Judgement has been exercised in considering the impact that both the Coronavirus (COVID-19) pandemic and Ukraine conflict has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in the risks at the end of this report, there does not currently appear to be either any significant impact upon the Financial Statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently because of both the Coronavirus (COVID-19) pandemic and Ukraine conflict based on the Company's current position and operations.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

For the period to 30 June 2022, the Directors do not consider that they have made any other significant estimates, judgments or assumptions which would materially affect the balances and results reported in these Financial Statements.

4. SEGMENT INFORMATION

The Board of Directors is the Company's chief operating decision-maker. As the Company has not yet commenced trading, the Board of Directors considers the Company as a whole for the purposes of assessing performance and allocating resources, and therefore the Company has one reportable operating segment.

5. EMPLOYEES AND DIRECTORS

(a) Employment costs for the Company during the period:

	For the year ended 30 June 2022 £	For the period ended 30 June 2021 £
Wages and salaries	190,000	56,853
Pension contributions	7,000	1,571
Social security costs	24,299	6,868
Other employment related expenses	3,003	317
Total employment costs expense	224,302	65,609

On 31 December 2020, Vin Murria OBE was appointed as Chairman of the Company. Under the terms of Vin Murria OBE's appointment letter, Vin was entitled to a fee of £50,000 per annum. As at 23 March 2021 Vin waived her entitlement to fees until completion of the first acquisition. Mark Brangstrup Watts is also not currently receiving director's fees, however, on completion of the first acquisition, it is currently intended that Mark will also receive a fee for his services. Karen Chandler is both entitled and receiving an annual fee of £50,000 for her services as a non-executive director.

(b) Key management compensation

The Board considers the Directors of the Company, to be the key management personnel of the Company.

(c) Employed persons

The average monthly number of persons employed by the Company (including Directors) during the period was as follows:

	For the year ended 30 June 2022 number	For the Period ended 30 June 2021 number
Directors	2	3
	2	3

Included within accruals is £nil, which relates to unpaid directors' remuneration.

6. ADMINISTRATIVE EXPENSES BY NATURE

Company administrative expenses by nature	For the year ended 30 June 2022 £	For the period ended 30 June 2021 £
Directors' fees	224,302	65,609
Professional fees	110,584	115,402
Non-recurring project costs	2,750,468	2,144,971
Listing fees	69,295	23,910
Share based payment expense	95,854	194,250
Branding and website cost	6,910	4,352
Travel and entertainment	3,654	-
Bank charges	1,233	3,585
	3,262,300	2,552,079

The Company's independent auditor, Baker Tilly Channel Islands Limited, has fees amounting to £15,350 for the interim and final audit.

7. TAXATION

	For the year ended 30 June 2022 £	For the period ended 30 June 2021 £
Analysis of tax in period		
Current tax on profits for the period	-	-
Total current tax	-	-

The central management and control of the Company is exercised in the UK and accordingly the Company is treated as tax resident in the UK.

Reconciliation of effective rate and tax charge:

	For the year ended 30 June 2022 £	For the period ended 30 June 2021 £
Loss on ordinary activities before tax	(7,715,383)	(2,546,025)
Expenses not deductible for tax purposes	4,896,942	194,250
Over allowance for the tax charge recognised in the prior year	252,708	-
Loss on ordinary activities subject to corporation tax	(2,565,733)	(2,351,775)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2021: 19%)	(487,489)	(446,837)
Effects of:		
Losses carried forward for which no deferred tax recognised	487,489	446,837
Total taxation charge	-	-

As at 30 June 2022, cumulative tax losses available to carry forward against future trading profits were £4,917,508 subject to agreement with HM Revenue & Customs. Prior to an acquisition, there is no certainty as to future profits and no deferred tax asset is recognised in relation to these carried forward losses.

8. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the profit or loss attributable to equity holders of a company by the weighted average number of ordinary shares in issue during the period. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has issued 700,000 warrants, each of which is convertible into one ordinary share. The Company made a loss in the current period, which would result in the warrants being anti-dilutive. Therefore, the warrants have not been included in the calculation of diluted earnings per share.

	For the year ended 30 June 2022	For the period ended 30 June 2021
Loss attributable to owners of the parent	(7,715,383)	(2,546,025)
Weighted average number of ordinary shares in issue	133,200,000	39,709,880
Weighted average number of ordinary shares for diluted EPS	133,200,000	39,709,880
Basic and diluted loss per ordinary share (£)	(0.06)	(0.06)

9. INVESTMENTS

Principal subsidiary undertakings of the Company

The Company directly owns the whole of the issued ordinary share capital of its subsidiary undertaking. Details of the Company's subsidiary are presented below:

Subsidiary	Nature of business	Country of incorporation	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Company
MAC I (BVI) Limited	Incentive vehicle	BVI	100%	100%

The registered office of MAC I (BVI) Limited Commerce House, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands VG1110.

Financial assets of the Company

The Company directly owns equity investments for which the Company has not elected to recognise fair value gains and losses through Other Comprehensive Income.

	As at 30 June 2022	As at 30 June 2021
	£	£
Level 1 Financial assets at fair value through profit or loss (FVTPL)	**19,200,000**	-
	19,200,000	-

There were no transfers between levels for fair value measurements during the year. The Company's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

a) **Level 1**: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.
b) **Level 2**: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
c) **Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. During the year, the following gains/(losses) were recognised in profit or loss:

	For year ended 30 June 2022	For period ended 30 June 2021
	£	£
Fair value (losses) on equity investments at FVTPL recognised in other (losses)	**(4,800,000)**	-
	(4,800,000)	-

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2022 £	As at 30 June 2021 £
Amounts receivable in one year:		
Prepayments	**11,271**	12,805
Other receivables	**65,488**	2
VAT receivable	**24,726**	216,939
	101,485	229,746

Other receivables are all current.

There is no material difference between the book value and the fair value of the receivables. Receivables are considered to be past due once they have passed their contracted due date.

11. CASH AND CASH EQUIVALENTS

	As at 30 June 2022 £	As at 30 June 2021 £
Cash and cash equivalents		
Cash at bank	**64,169,997**	129,224,447
Deposits on call	**40,000,000**	-
	104,169,997	129,224,447

Credit risk is managed on a Company basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum short-term credit rating of P-1, as issued by Moody's, are accepted.

12. TRADE AND OTHER PAYABLES

	As at 30 June 2022 £	As at 30 June 2021 £
Amounts falling due within one year:		
Trade payables	**125,768**	7,199
Accruals	**1,572,041**	53,792
A ordinary share liability	**115,844**	115,844
	1,813,653	176,835

There is no material difference between the book value and the fair value of the trade and other payables.

13. EQUITY AND RESERVES

	Stated capital	Stated capital
Authorised		
Unlimited ordinary shares of no par value		
Unlimited A shares of no par value		
100 sponsor shares of no par value		
	As at 30 June 2022	As at 30 June 2021
Issued	**£**	£
133,200,000 ordinary shares of no par value	**131,166,131**	131,166,131
2 sponsor shares of no par value	**2**	2

Ordinary and Sponsor share rights

Holders of ordinary shares are entitled to receive notice and attend and vote at any meeting of members, the right to a share in any distribution paid by the Company and a right to a share in the distribution of the surplus assets of the Company on a winding up.

The Sponsor Shares:

- confer upon the holders no rights to dividends or distributions (including on the Company's liquidation);
- confer upon the holders no right to receive notice of or attend and vote as a member at any meeting of members (provided that if at any time the Sponsor Shares are the only shares in issue each holder of Sponsor Shares shall have the right to receive notice of, attend and vote as a member at any meeting of members);
- are not convertible or exchangeable for any other class or series of shares of the Company;
- for so long as the holder of a Sponsor Share, holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), the holder of a Sponsor Share has the right to appoint one director to the Board;
- confer upon any holder the right to require that: (i) any purchase of Ordinary Shares; or (ii) the Company's ability to amend the Memorandum and Articles, be subject to a special resolution of members whilst a holder of a Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company or a holder of a Sponsor Share also hold Incentive Shares.
- confer certain control rights whilst a holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), or is a holder of a Sponsor Share and holds Incentive Shares, such that the Company shall not, without the prior vote or consent of holders of all of the Sponsor Shares:
  - Issue any further Sponsor Shares;
  - amend, alter or repeal any existing or introduce any new share-based compensation or incentive scheme in the Company; and
  - issue any class of shares on a non pre-emptive basis where the Company would be required to issue such share pre-emptively if it were incorporated under the UK Companies Act 2006 and acting in accordance with the Pre-Emption Company's Statement of Principles; or
  - take any action that would not be permitted (or would only be permitted after an affirmative shareholder vote) if the Company were admitted to the Premium Segment of the Official List;

14. SHARE BASED PAYMENTS

The Company has put in place a long-term incentive plan ("**LTIP**"), to ensure an alignment with all Shareholders, and which reflects the high competition for the best executive management talent.

The general principles of the Company's compensation strategy are to be:

• Proportionate: to the role and risk being taken by the participant and reflecting the participants' value to delivering outstanding, sustainable shareholder returns;

• Transparent: the compensation structure and its associated terms should be transparent to investors and the impact of the scheme clearly communicated to investors on an ongoing basis;

• Performance Based: minimum performance criteria should be based on all equity issuance over the lifetime of the relevant measurement period, subject to minimum preferred returns and based only on a share of equity profits generated; and

• Drive Sustainable Value Creation: incentive arrangements should be structured to encourage the creation of sustainable returns over the long term through long term vesting and a lengthy performance measurement period.

The LTIP will only reward the participants if shareholder value is created. This ensures alignment of the interests of management, being Vin Murria, Gavin Hugill and Karen Chandler at the balance sheet date, and Marwyn (in which each of James Corsellis and Mark Brangstrup Watts are beneficially interested through their indirect interest in Marwyn Long Term Incentive LP ("**MLTI**")) directly with those of shareholders. It is the expectation that the LTIP will ultimately include senior executives of the acquired companies.

Preferred Return
The incentive arrangements are subject to the Company's shareholders achieving a preferred return of at least 7.5 per cent. per annum on a compounded basis on the capital they have invested from time to time (with dividends and returns of capital being treated as a reduction in the amount invested at the relevant time) (the "**Preferred Return**").

Incentive Value
Subject to a number of provisions detailed below, if the Preferred Return and at least one of the vesting conditions have been met, the holders of the Incentive Shares can give notice to redeem their Incentive Shares for ordinary shares in the Company ("**Ordinary Shares**") for an aggregate value equivalent to 20 per cent. of the "Growth", where Growth means the excess of the total equity value of the Company and other shareholder returns over and above its aggregate paid up share capital (20 per cent. of the Growth being the "**Incentive Value**"). 15% of the gross incentive value is attributable to the A1 ordinary shares and 5% is attributable to the A2 ordinary shares.

Grant date
The grant date of the Incentive Shares will be deemed to be the date that such shares are issued.

Redemption / Exercise
Unless otherwise determined and subject to the redemption conditions having been met, the Company and the holders of the Incentive Shares have the right to exchange each Incentive Share for Ordinary Shares, which will be dilutive to the interests of the holders of Ordinary Shares. However, if the Company has sufficient cash resources and the Company so determines, the Incentive Shares may instead be redeemed for cash. Circumstances where the Company may exercise this right include, but are not limited to, where the Company is not authorised to issue additional Ordinary Shares or on the winding-up or takeover of the Company. However,

it is currently expected that in the ordinary course of business, Incentive Shares will be exchanged for Ordinary Shares.

Any holder of Incentive Shares who exercises their Incentive Shares prior to other holders is entitled to their proportion of the Incentive Value to the date that they exercise but no more. Their proportion is determined by the number of Incentive Shares they hold relative to the total number of issued shares of the same class.

Vesting Conditions and Vesting Period
The Incentive Shares are subject to certain vesting conditions, at least one of which must be (and continue to be) satisfied for a holder of Incentive Shares to exercise its redemption right, which right begins on the third anniversary and ends on the seventh anniversary of the date of the Company's initial acquisition.

The vesting conditions are as follows:

i. it is later than the third anniversary of the initial acquisition;
ii. a sale of all or substantially all the revenue or net assets of the business of the Subsidiary in combination with the distribution of the net proceeds of that sale to the Company and then to its shareholders;
iii. a sale of all the issued ordinary shares of the Subsidiary or a merger of the Subsidiary in combination with the distribution of the net proceeds of that sale or merger to the Company's shareholders;
iv. whereby corporate action or otherwise, the Company effects an in-specie distribution of all or substantially all the assets of the Company to the Company's shareholders;
v. aggregate cash dividends and cash capital returns to the Company's Shareholders are greater than or equal to aggregate subscription proceeds received by the Company;
vi. a winding up of the Company;
vii. a winding up of the Subsidiary; or
viii. a sale, merger or change of control of the Company.

If any of the vesting conditions described in paragraphs (ii) to (viii) above are satisfied before the third anniversary of the initial acquisition, the A Shares will be treated as having vested in full.

Leaver, lock-in and clawback provisions
In addition to the vesting conditions above, lock-in periods, leaver provisions, and clawback provisions have been entered into by all the holders of the A1 ordinary shares in MAC I (BVI) Limited in issue at the balance sheet date.

The shares will vest on a straight-line basis over 3 years from the acquisition date, save on an exit event when the Incentive Shares will vest in full. If deemed a good leaver vested Incentive Shares will be retained, but any unvested shares will be forfeited.

Either cash/securities received upon exercise (for example on a distribution in specie) in the prior 36 months (less tax amounts paid) of the Incentive Shares being exercised, and/or the remaining Ordinary shares/Incentive Shares held may be clawed back if the holder commits: (i) gross misconduct, (ii) fraud (iii) a criminal act, or (iv) a material breach of any post termination covenants or restrictions in the holder's contract with the Company (if applicable), and (v) the combination of (a) a requirement that the Parent materially restate the audited consolidated accounts of the Parent or the Company (excluding for any reason of change in accounting practice or accounting standards); and (b) thereafter, a determination by the Remuneration Committee (or Board until the establishment of a Remuneration Committee - acting in good faith) that, had such audited consolidated accounts been correct at the time of exchange of such A1 Shares, the Subscriber or any of the Subscriber's Associates would not have received the full payment to which he or it was owed (or the full number of Parent Ordinary Shares he or it was issued).

Holders of the shares have agreed that if they exchange some or all their Incentive Shares for an allotment of Ordinary Shares, they shall not be permitted to enter into an agreement to give effect to any transfer of the Ordinary Shares so allotted at any time during the period of 12 months and one day following the date of such allotment save in certain limited circumstances.

Holding of Incentive Shares
MLTI, Vin Murria, Gavin Hugill and Karen Chandler hold Incentive Shares entitling them in aggregate to 100 per cent. of the Incentive Value. Any future management partners or senior executive management team members receiving Incentive Shares will be dilutive to the interests of existing holders of Incentive Shares, however the share of the Growth of the Incentive Shares in aggregate will not increase.

Issue Date	Name	*Share Designation at balance sheet date*	Nominal Price	Issue price per A ordinary share	Number of A ordinary shares	Unrestricted market value at grant date	IFRS 2 Fair Value
25/11/2020	Marwyn Long Term Incentive LP	A2	£0.01	£7.50	2,000	£15,000	£169,960
31/12/2020	Vin Murria OBE	A1	£0.01	£5.42	6,000	£32,500	£354,050
05/02/2021	Gavin Hugill	A1	£0.01	£25.56	600	£15,336	£65,040
15/02/2021	Karen Chandler	A1	£0.01	£36.67	600	£22,000	£93,415
17/03/2021	Vin Murria OBE	A1	£0.01	£4.79	9,600	£46,008	£195,120

Valuation of Incentive Shares
Valuations were performed by Deloitte using a Monte Carlo model and ascertaining a fair value at each date. Details of the valuation methodology and estimates and judgements used in determining the fair value are noted herewith and were in accordance with IFRS 2 at grant date.

There are significant estimates and assumptions used in the valuation of the Incentive Shares. Management has considered at the grant date, the probability of a successful first acquisition by the Company and the potential range of value for the Incentive Shares, based on the circumstances on the grant date.

The fair value of the Incentive Shares granted under the scheme was calculated using a Monte Carlo model. The fair value uses an ungeared volatility of 25 per cent, and an expected term of seven years. The Incentive Shares are subject to the Preferred Return being achieved, which is a market performance condition, and as such has been taken into consideration in determining their fair value. A risk-free rate of 0% has been applied, based on the average yield on a five-year UK Gilt at the valuation date. The model incorporates a range of probabilities for the likelihood of an acquisition being made of a given size.

Expense related to Incentive Shares
The A2 shares were expensed in full in the prior period (2021: £15,000). An expense of £95,854 (2021: £194,250) has been recognised in the Statement of Comprehensive Income in respect of the A1 ordinary shares.

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company has the following categories of financial instruments at the period end:

	As at 30 June 2022	As at 30 June 2021
	£	£
Financial assets measured at amortised cost		
Cash and cash equivalents	**104,169,997**	129,224,447
Other receivables	**65,488**	2
Financial assets at fair value through profit or loss (FVTPL)	**19,200,000**	-
	123,435,485	129,224,449

Financial liabilities measured at amortised cost		
Trade and other payables	**1,813,653**	176,835
	1,813,653	176,835

The Company has exposure to the following risks from its use of financial instruments:

- Market risk;
- Liquidity risk; and
- Credit risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Treasury activities are managed on a Company basis under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Company which primarily relate to movements in interest rates.

Market risk
The Company's activities primarily expose it to the risk of changes in interest rates due to the significant cash balance held; however, any change in interest rates will not have a material effect on the Company. The Company's operations are predominately in GBP, its functional currency, and accordingly minimal translation exposures arise in receivables or payables.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company currently meets all liabilities from cash reserves and the Directors believe this risk is adequately mitigated.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main credit risk relates to the cash held with financial institutions. The Company manages its exposure to credit risk associated with its cash deposits by selecting counterparties with a high credit rating with which to carry out these transactions. The counterparty for these transactions is Barclays Bank plc, which holds a short-term credit rating of [P-1], as issued by Moody's. The Company's maximum exposure to credit risk is the carrying value of the cash on the Consolidated Statement of Financial Position reserves and the Directors believe this risk is adequately mitigated.

Capital management
The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Capital includes stated capital and all other equity reserves attributable to the equity holders of the Company and totals £121.7million as at 30 June 2022. The Directors actively monitor this. There were no changes in the Company's approach to capital management during the period and the Company's capital management policy will be revisited once an Acquisition has been identified.

16. RELATED PARTY TRANSACTIONS

James Corsellis and Mark Brangstrup Watts are the managing partners of MIMLLP and Antoinette Vanderpuije, the Company Secretary is a partner of MIMLLP. MIMLLP manages MVI II Holdings I LP which is beneficially owned by MVI II. MVI II Holdings I LP holds 15.41% of the Company's Ordinary Shares and 1 Sponsor Share.

James Corsellis, Mark Brangstrup Watts and Antoinette Vanderpuije have a beneficial interest in the Incentive Shares as described in note 14 through their indirect interest in MLTI which owns 2,000 A2 ordinary shares in the capital of MAC I (BVI) Limited.

James Corsellis and Mark Brangstrup Watts are the managing partners of Marwyn Capital LLP ("**MCLLP**"), and Antoinette Vanderpuije is also a partner. MCLLP provides corporate finance, company secretarial and managed service support to the Company. The Company has incurred fees of £64,052 in respect of company secretarial and managed service support, of which £39,798 was outstanding at the balance sheet date. MCLLP was also engaged to provide corporate finance advice to the Company. On 18 March 2021, MCLLP and the Company entered into a side letter under which corporate finance services would be suspended, resulting in the fees being reduced from £10,000 per month to £nil effective on Admission. During the year the Company paid £nil for corporate finance services to MCLLP and £nil was outstanding at the balance sheet date. MCLLP incurred costs of £5,278, which it recharged the Company during the year.

Directors' emoluments, in relation to James Corsellis and Mark Brangstrup Watts, are disclosed in note 5.

17. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 30 June 2022 that requires disclosure or adjustment in these Financial Statements.

18. POST BALANCE SHEET EVENTS

On 14 June 2022, the Company published the Final Offer Document in respect of the Final Offer for the issued and to be issued share capital of M&C Saatchi not already owned by the Company. On 8 September 2022, the Company published an acceleration statement in accordance with Rule 31.5 of the Code and announced that acceptances of the Company's Final Offer must be received on the new Unconditional Date of 30 September 2022. On 30 September 2022, the Company did not receive sufficient acceptances to meet the 90% acceptance condition, and the Final Offer lapsed.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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Registrar
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Registered Agent and Assistant Company Secretary
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Depository
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Solicitors to the Company (as to English law)
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Risks

Risks applicable to investing in the Company

An investment in the ordinary shares involves a high degree of risk. No assurance can be given that shareholders will realise a profit or will avoid loss on their investment. The Board has identified a wide range of risks as set out in the Company's prospectus dated 31 March 2022 which can be found on the Company's website: www.advancedadvt.com

The board has set out below the risks most relevant to the Company based on its current status The risks referred to below do not purport to be exhaustive and are not set out in any order of priority. If any of the following events identified below occur, the Company's business, financial condition, capital resources, results and/or future operations and prospects could be materially adversely affected.

Risks rating to the Company's future business and potential structure

- ***The Company may not be able to complete an acquisition.***

  The Company's future success is dependent upon its ability to not only identify opportunities but also to execute a successful acquisition. There can be no assurance that the Company will be able to conclude agreements with any target business and/or shareholders in the future and failure to do so could result in the loss of an Investor's investment. In addition, the Company may not be able to raise the additional funds required to acquire any target business, fund future operating expenses after the initial twelve months, or incur the expense of due diligence for the pursuit of acquisition opportunities in accordance with its investment objective.

- *The Company may face significant competition for acquisition opportunities*

  There may be significant competition for some or all the acquisition opportunities that the Company may explore. A number of these competitors may possess greater technical, financial, human and other resources than the Company. Such competition may cause the Company to incur significant costs but be unsuccessful in executing an Acquisition or may result in a successful Acquisition being made at a significantly higher price than would otherwise have been the case which could materially adversely impact the business, financial condition, result of operations and prospects of the Company.

- *The Company could incur costs for transactions that may ultimately be unsuccessful*.

  There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

- ***The Company may be unable to obtain additional funding needed to implement its strategy.***

  The Company may seek additional sources of financing (equity and/or debt) to implement its strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. Equity and/or debt financing could decrease Shareholders' proportional ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

- *The Marwyn Shareholder[3], James Corsellis and Vin Murria OBE have interests in companies with similar strategies to that of the Company*

  The Marwyn Shareholder, Mark Brangstrup Watts and Vin Murria OBE are, and may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by the Company, including other entities established with a similar objective to that of the Company and investment opportunities may be taken up by the Marwyn Shareholder, Mark Brangstrup Watts or Vin Murria OBE and/or entities affiliated with any of them in advance of the Company. At the date of this document, the Marwyn Shareholder and Mark Brangstrup Watts are affiliated with Marwyn Acquisition Company plc, Marwyn Acquisition Company II Limited, Marwyn Acquisition III Limited and Marwyn Alpha Limited (being entities engaged in business activities similar to those intended to be

[3] Marwyn Shareholder is defined as Marwyn Investment Management LLP

conducted by the Company). At the date of this document, Vin Murria OBE is affiliated with Plum Acquisition Corp. I (being an entity engaged in business activities similar to those intended to be conducted by the Company). Each of Marwyn Acquisition Company plc, Marwyn Acquisition Company II Limited, Marwyn Acquisition III Limited and Marwyn Alpha Limited are acquisition vehicles and have net assets which are less than £13,000,000. Marwyn Acquisition Company plc is quoted on AIM. Plum Acquisition Corp. I is quoted on Nasdaq Capital Market (NASDAQ).

In the course of their respective business activities, the Marwyn Shareholder, Mark Brangstrup Watts and/or Vin Murria OBE may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. The Marwyn Shareholder, Mark Brangstrup Watts and/or Vin Murria OBE may have conflicts of interest in determining to which entity a particular business opportunity should be presented. The Directors will seek to mitigate or resolve any conflict of interest that has been identified and will take appropriate action to do so - this may be through the implementation of policies dealing with conflicts of interest or otherwise.

- *Success of investment policy not guaranteed*
  The Company has not, since incorporation, carried on any trading activities. The value of any investment in the Company is, therefore, wholly dependent upon the successful implementation of its investment objective. Investors will be relying on the ability of the Company, the Directors and the Proposed Directors to identify potential Acquisitions, evaluate their merits, conduct diligence and negotiations, raise any required additional finance, execute such Acquisitions and potentially hire management teams.

- *Due Diligence may not identify Material facts or circumstances*
  Prior to making or proposing any investment, the Company will undertake due diligence on potential Acquisitions to a level considered reasonable and appropriate by the Board on a case-by-case basis. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

- *The Company may not acquire total voting control of any target company or business*
  The Company may either consider acquiring total voting control of any target company or business or acquiring a non-controlling interest constituting less than total voting control or less than the entire equity interest of that target company or business if such opportunity is considered attractive or where the Company expects to acquire sufficient influence to implement its strategy. In such circumstances, the remaining ownership interest will be held by third parties and the Company's decision-making authority may be limited. Any third party's interests may be contrary to the Company's interests.

- *The success of the Company's investment objective not guaranteed*
  The success of the investment objective depends on the Directors' and Proposed Directors' ability to identify investments in accordance with the Company's investment objective and to interpret market data and predict market trends correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions or that the Company will be able to generate positive returns for Shareholders.

- *Changes in Investment Policy may occur*
  The Company's Investment Policy may be modified and altered from time to time with the approval of Shareholders, so it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those the Directors currently expect to use and which are disclosed in these Financial Statements. Any such change could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

- *The Group may be vulnerable to hacking, identity theft and fraud*
  A failure of or breach in cybersecurity ("cyber incidents") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. In general, cyber incidents can

result from deliberate attacks ("cyber-attacks") or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption). Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber incidents may cause significant disruption and materially impact business operations, potentially resulting in financial losses, impediments to trading, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

While the Group has in place security measures and guidelines in an effort to prevent hacking, identity theft and fraud, including the loss of intellectual property, it may not be able to fully protect itself and its customers from unauthorised access or hacking. For example, the Group is subject to the risk that unauthorised persons could access its systems and fraudulently transfer funds or obtain data on the Group and/or its clients. Cybersecurity is of particular importance to business operating withing the digital, software and services sector. Any such unauthorised access, whether or not such access results in financial loss, could result in significant reputational damage to the Group amongst its clients and the market generally and affected parties could seek damages from the Group, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Risks relating to sectors in which the Company might invest

- *Industry specific risks*
  It is anticipated that the Company will invest in businesses or companies in varying sectors globally however its principal focus will be on the UK, Europe and North America. The performance of sectors in which the Company may invest may be cyclical in nature, with some correlation to gross domestic product and, specifically, levels of demand within targeted end-markets. As a result, the identified sector may be affected by changes in general economic activity levels which are beyond the Company's control, but which may have a material adverse effect on the Company's financial condition and prospects. The COVID-19 pandemic may result in greater demand in certain sectors, and fewer opportunities in others. The Company has a broad investment strategy, which is not restricted by either sector or geographic focus. The COVID-19 situation is still evolving. It is therefore difficult to predict what impact COVID-19 may have on any potential investment. An adverse change in economic activity could have a material adverse effect on the profitability of the Company following an acquisition.

Risks relating to the M&C investment

- *The Company may not be able to dispose of part or all of its stake in M&C on favourable terms*
  The M&C Investment constitutes the Company's sole asset (excluding cash) representing approximately 15.8 per cent. of the Company's net assets as at 30 June 2022, the latest practicable date prior to the publication of these Financial Statements. There can be no guarantee that the Company will be able to dispose of the M&C Investment at a value equal to or more than the value for which it was obtained. In the Company's financial statements, the M&C Investment is accounted for as an asset held at fair value. The shares are revalued to market value at the end of every reporting period with gains or losses on valuation taken to the profit and loss account. Further, any fall in the share price of M&C would have a corresponding negative effect on the value of the M&C Investment and potentially the share price of the Ordinary Shares, which could have a material adverse impact on the Company's performance and prospects.

- *Maintaining a minority stake in M&C could have an adverse effect on the Company's strategy*
  The Company may maintain its investment in M&C.

  Company decisions relating to the holding of, disposal of, or further investment in, shares in M&C will be affected by a broad range of factors including, without limitation, the activities of other shareholders in M&C, market conditions generally, and operational and financial factors relating to M&C specifically. As a consequence, Company decisions relating to the M&C Investment will be more reactive than if the Company held no existing stake in M&C. Failure by the Company to respond effectively to any of the foregoing factors when making investment decisions relating to M&C could have a detrimental impact on the value of the M&C Investment and potentially the share price of the Ordinary Shares, which could have a material adverse impact on the Company's performance and prospects.

To the extent that the M&C Investment is maintained, whether in contemplation of a future offer for M&C being made by the Company or otherwise, such continued holding will affect the Company's strategy and consideration of other Acquisition targets. For example, the Company may pursue a potential Acquisition which, in order to finance the consideration, requires the Company to dispose of the M&C Investment at a price which is less than its cost of acquisition. Alternatively, the Company may be unable to complete an Acquisition because it is unable to dispose of the M&C Investment at a favourable price. If the Company were to dispose of the M&C Investment at an unfavourable price, or did not complete another Acquisition because it could dispose of the M&C Investment at a favourable price, any such occurrence could lead to a material adverse effect on the Company's results of operations, financial condition and prospects.

- *The market in which M&C operates is subject to rapid change*

  Advertising markets are changing as audiences move online and fragment. Agencies must re-orient their models to target audiences and reflect client demands for more integrated solutions in this more complicated marketing environment. Technology and digital platforms, together with the large volume of data that these generate, are disrupting the marketing and communication industry. This disruption is set to continue, with Covid-19 accelerating these trends, potentially in ways that are impossible to predict. The Group cannot predict with certainty the changes that may occur and the effect of those changes on the competitiveness of its business. The competitive environment in which M&C operates will require M&C to continually enhance and adapt its offering, develop and invest in new propositions and services and invest in technology to better serve the needs of its existing clients and to attract and retain clients. If M&C is unable to adapt to such market changes or competitive pressure successfully and/or develop its business and activities in a timely fashion in response to such changes, for example as a result of disruption caused by Covid-19, it could have a material adverse effect on M&C's results of operations, financial condition and prospects. This in turn could lead to an adverse effect on the Company's results of operations, financial condition and prospects.

- *M&C competes for clients in a highly competitive industry*

  The services industry in which M&C operates is highly competitive. M&C competes with established players, as well as new market participants. M&C Saatchi's competitors include large multinational advertising and marketing communication companies, regional and national marketing services companies and new market participants, such as consultancy businesses and technology companies. M&C Saatchi's competitors include digital and strategy consultants, in addition to advertising, marketing and communication services agencies and technology companies.

  M&C may face significant competition from both domestic and international competitors who have greater capital, greater resources and superior brand recognition than M&C and who may be able to provide better services or adopt more aggressive pricing policies. There is no assurance that M&C will be able to compete successfully in such an environment.

  The ability to attract new clients and to retain or increase the amount of work from existing clients may also in some cases be limited by client policies on conflicts of interest which may operate to prohibit M&C from working for two or more clients in the same industry or sector. Further, the ability of M&C to attract new clients may be limited by contractual provisions entitling existing clients to the most favourable prevailing terms offered by M&C. In accordance with standard industry terms, clients may, in some instances, terminate their contractual relationship with M&C. Such an occurrence could have a material adverse effect on M&C's results of operations, financial condition and prospects. This in turn could lead to a material adverse effect on the Company's results of operations, financial condition and prospects.

- ***M&C depends on the ability to attract and retain key people without whom it may not be able to manage its business effectively***

  M&C is highly dependent on the talent, creative abilities and technical skills of its personnel as well as the relationships that its key employees have with clients. Competition for experienced personnel in the digital media and marketing industry is intense, and M&C is vulnerable to the effects of key personnel loss. The successful management and operations of M&C depend on the contribution of M&C's personnel. The continuing success of M&C will depend, to a significant degree, on M&C's ability to continue to attract, motivate and retain highly experienced and skilled personnel. If M&C does not succeed in retaining and attracting highly experienced and skilled personnel, it may not be able to grow its business as anticipated. Furthermore, the departure from M&C of any of its highly experienced and skilled personnel, many of whom have long term relationships with M&C's clients, could have a material adverse effect on M&C's business. Whilst M&C has ongoing employment agreements with its key employees, their retention cannot be guaranteed. Equally, the ability to attract new employees with the appropriate expertise and skills cannot be guaranteed. M&C may experience difficulties in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of M&C.

  M&C's strong reputation as a significant content provider makes its staff potentially attractive to competitors. There is a risk that key personnel will move elsewhere if offered significant increases in remuneration with which M&C is unable to compete. If one or more key personnel were to join a competitor or set up business in competition with M&C, there can be no assurance that the loss of such key personnel's services would not have an adverse effect on M&C's financial condition and results of operations. Any such adverse effects could, in turn, lead to adverse effects on the Company's results of operations, financial condition and prospects.

Risks relating to legislation and regulations

- *Legislative and regulatory risks*

  An investment is subject to changes in regulation and legislation. As the direction and impact of changes in regulations can be unpredictable, there is a risk that regulatory developments will not bring about positive changes and opportunities, or that the costs associated with those changes and opportunities will be significant. In particular, there is a risk that regulatory change will bring about significant downturn in the prospects of one or more acquired businesses, rather than presenting a positive opportunity.

- *Taxation*

  Any changes to the tax status of the Company or any of its underlying subsidiaries or investments, or to tax legislation or practice (whether in the UK or in jurisdictions in which the Company invests), could affect the value of investments held by the Company, affect the Company's ability to provide returns to Shareholders and affect the tax treatment for Shareholders of their investments in the Company (including the applicable rates of tax and availability of reliefs). In particular, the current spending by global governments to ameliorate some of the impact of the lockdowns imposed because of the COVID-19 pandemic may lead to increased taxation. There can be no certainty that the current taxation regime in the UK, or in any jurisdiction in which the Company may operate or invest in the future, will remain in force, or that the current levels of corporate taxation (including UK corporation tax) will remain unchanged. Prospective investors should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

  The Company, and/or any vehicle in which the Company has a direct or indirect interest (including the companies in the Company), may be subject to tax (including withholding tax and transfer taxes) in multiple jurisdictions outside of their home jurisdictions. In particular, withholding tax or other taxes may be imposed on earnings and other amounts returned to the Company (or companies in the Company) from investments in such jurisdictions. Local tax incurred in various jurisdictions by the Company, or by the companies in the Company, may not be creditable to or deductible by the Company (or the relevant company in the Company). Although the Company will endeavour to minimise any such taxes this may affect the level of returns to Shareholders.

Risks relating to the Company's capital structure

- *Investors may own significant interests in, and may exert influence over, the Company*
  The Marwyn Shareholder and Vin Murria OBE each own 15.4 per cent. and 13.1 per cent. respectively of the issued ordinary shares of the Company. As a result, each may possess sufficient voting power to have a significant influence over all matters requiring shareholder approval. The interests of the Marwyn Shareholder and Vin Murria OBE may not always be aligned with those of other Shareholders.

- *Shareholders' interests may be diluted because of additional equity fundraising.*
  The Company may issue additional Ordinary Shares or other classes of shares in subsequent public offerings or private placements to fund an Acquisition or as consideration for an Acquisition. BVI law does not grant Shareholders the benefit of pre-emption rights in relation to a further issue of Ordinary Shares (or any other class of shares) and, save for the ability of the holders of the Sponsor Shares to require that any issue of shares is conducted pre-emptively, the Company's Articles do not include pre-emption rights. The holders of the Sponsor Shares owe no duty to holders of Ordinary Shares to require that any share issuance be made on a pre-emptive basis. It is possible that existing Shareholders may not be offered the right or opportunity to participate in such future share issues, which may dilute the existing Shareholders' interests in the Company. Furthermore, the issue of additional Ordinary Shares or other classes of shares may be on more favourable terms than the Placing.

  The Company may need to raise additional funds in the future to finance, amongst other things, expansion of the business or new developments relating to existing operations or new Acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution (in both economic and voting terms) and such securities issued in the future may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. Shareholder approval is not required for the Company to create and issue additional classes of shares if required from time to time, including shares that may have superior voting rights to the Ordinary Shares, the right to receive dividends and other distributions in priority to those made on Ordinary Shares and that may have a liquidation preference in any winding-up of the Company. Save for the Sponsor Shares, no unlisted shares exist beyond Admission.

- *Shareholders are subject to potential dilution from the incentivisation of management*
  The Company has in place an incentivisation scheme through which Mark Brangstrup Watts (through his indirect interest in MLTI), Vin Murria OBE, Karen Chandler, Gavin Hugill and future members of management that may be employed by the Company will be rewarded for increases in shareholder value, subject to certain conditions and performance hurdles. The Incentive Shares are shares in MAC I (BVI) Limited. Subject to the specified preferred return and at least one of the vesting conditions being met, the holders of the Incentive Shares will receive in aggregate 20 per cent. of the increase in value of the Company. Unless otherwise determined, the Company and the holders of the Incentive Shares have the right to exchange each Incentive Share for Ordinary Shares. If Ordinary Shares are to be issued to satisfy the incentivisation scheme, the existing Shareholders may face dilution. If so, determined by the Company, the holders of Incentive Shares may receive cash, thereby reducing the Company's cash resources.

- *The Warrants may result in up to 0.5 per cent. dilution for the Ordinary Shares*
  The Warrants are exercisable only up until 4 December 2025 at £1.00 per Ordinary Share (subject to downwards adjustment and the winding-up of the Company). The exercise of the Warrants will result in a dilution of the Shareholders' interests if the value of an

Ordinary Share exceeds the exercise price payable on the exercise of a Warrant at the relevant time. The potential for the issue of additional Ordinary Shares pursuant to exercise of the Warrants could have an adverse effect on the market price of the Ordinary Shares. Any Warrants not exercised on or before 4 December 2025 will lapse without any payment being made to the holders of such Warrants. The Marwyn Shareholder waived its rights to 2,500,000 Class A Warrants during the March fundraising.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company, the Directors and the Proposed Directors may be limited.

The ability of an Overseas Shareholder to bring or enforce an action against the Company may be limited under law. The Company is a company limited by shares incorporated in the British Virgin Islands. The rights of holders of Ordinary Shares are governed by BVI law and by the Articles. The rights of Warrant holders are governed by English law and the Warrant Instrument. These rights may differ from the rights of shareholders in corporations which are incorporated in other jurisdictions. An Overseas Shareholder may not be able to enforce a judgment against some or all the Directors and/or the Proposed Directors. It may not be possible for an Overseas Shareholder to effect service of process upon the Directors and the Proposed Directors within the Overseas Shareholder's country of residence or to enforce against the Directors and the Proposed Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors and the Proposed Directors or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors and the Proposed Directors in any original action based solely on foreign securities laws brought against the Company or the Directors or the Proposed Directors in a court of competent jurisdiction in England or other countries.

- ***Dividend payments on the Ordinary Shares are not guaranteed.***

  The Company has not yet adopted a dividend policy. The Board will determine the appropriate dividend policy following the initial Acquisition. If the Company does decide to pay dividends, its ability to do so will be a function of its profitability and free cash flow. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if paid.