

AdvancedAdvT Limited

("AdvancedAdvT" or the "Company")

Unaudited Interim Results for the period ended 31 December 2022

The Company provides an update on the Company's cash and net asset position as at 28 February 2023 and announces its unaudited interim results for the six months ended 31 December 2022.

Overview and Chairperson's statement

Cash and Net Asset update as at 28 February 2023

- Unaudited Net Asset Value (NAV) of 95.6 pence per share^[1] (91.4p at 31 December 2022^[2])
- Net assets of £127.3m¹ (£121.7m at 31 December 2022)
- Interest-bearing cash of £103.4m (£103m at 31 December 2022)

Highlights

- Strong position to execute on strategy given the opportunities in current economic climate.
- Net assets of £121.7m as at 31 December 2022 (£121.7m at 30 June 2022)
- Cash of £103m at 31 December 2022 (£104.2m at 30 June 2022)
- Interest income from cash deposits largely offset operating losses, most of which related to changes in fair value of financial assets during the period

Chairperson's statement

The Company has remained focused on its objective of completing a business combination with one or more businesses, by seeking and actively evaluating high-quality targets.

The global economy has faced significant challenges, with inflation, interest rate increases and heightened geopolitical tensions creating headwinds in various markets. However, we also recognise that such challenges also present opportunities for businesses to adapt and become more resilient. By identifying and capitalising on these opportunities, businesses can weather the storm and come out stronger on the other side.

The Board believes the trend of increased data creation and digitalisation of business processes and operations will continue to present investment opportunities for high-quality businesses with the potential to generate long-term value.

This continued acceleration of digital technologies has provided an opportunity for businesses to deliver increased productivity, address labour imbalances and gain a competitive advantage. Furthermore, the convergence of technologies across fragmented markets has the potential to bring about significant advancements for customers.

With a strong cash position which exceeds £100m, we have a clear advantage in against a backdrop of market uncertainty. Whilst the cost of servicing debt and its availability have become major challenges for other investment vehicles, our cash reserves offer a unique, attractive alternative and positions us well to execute on our strategy. This financial strength provides flexibility and the resources to capitalise on opportunities, navigate the challenges that may arise, as well as being an attractive proposition to potential target businesses.

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

We identified an opportunity to invest in an area of the market which had 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. Despite some shareholder support, we did not receive sufficient acceptances and the offer lapsed on 30 September 2022.

This was a disappointing outcome given the 42.5% support from M&C shareholders in our announcement on 17 May 2022. We believed our 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.

We would like to take this opportunity to thank our shareholders for their continued support. We remain committed to acting with a disciplined approach to deliver our objectives and create value for our shareholders.

We remain optimistic about the future, and we look forward to continuing to work together to navigate the opportunities ahead.

Vin Murria OBE

Chairperson

13 March 2023

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The Interim Report is also available on the 'Shareholder Documents' page of the Company's website at www.advancedadvt.com and the National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Management Report

I present to shareholders the unaudited interim condensed consolidated financial statements of AdvancedAdvT Limited ("AdvancedAdvT" or the "Company") for the six months ended 31 December 2022 (the "Consolidated Interim Financial Statements"), consolidating the results of AdvancedAdvT and MAC I (BVI) Limited (collectively, the "Group" or "MAC").

Activity, Strategy & Outlook

The Company was formed with the goal of identifying opportunities where a merger of management expertise, improved operating performance, and a focused investment and M&A strategy can unlock growth potential in core markets and potentially expand into new territories and adjacent sectors. Our objective is to generate attractive long-term returns for shareholders by supporting sustainable growth, strategic acquisitions and performance improvements within acquired companies.

The management team has significant experience in the technology sector, having invested in and/or operated a range of high-performing software and digital services businesses. The management team has a track record of successfully driving operational excellence within these businesses to deliver organic growth and has a history of executing targeted and accretive M&A in the software sector, having completed more than 85 acquisitions collectively.

Over the last 25 years companies across all sectors have increasingly adopted new digital technologies to optimise business processes and operations. Implementing these new technologies has become central to driving cost efficiencies and gaining a competitive advantage in a digital world, where 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 technologies by businesses and consumers was in part restricted by the reticence of companies to invest in digital strategies and adopt new systems and technologies. 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. The resulting increase in demand and appetite to adopt new digital technologies, alongside the continued momentum to move to the cloud, has given rise to a squeeze on the labour market and digital skills.

We therefore 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.

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.

Results

The Group's loss after taxation for the six months to 31 December 2022 was £113,010 (31 December 2021: loss after taxation £218,548). The Group held cash and cash equivalents at 31 December 2022 of £103,016,497 (31 December 2021: £104,169,997).

Dividend Policy

The Company has not yet acquired a trading operation and it is therefore inappropriate to make a statement on the likelihood of any future dividends. The Directors intend to determine the Company's dividend policy following completion of a platform acquisition and, in any event, will only commence the payment of dividends when it becomes commercially prudent to do so.

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, information, time and resources it needs in order 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 the Board as a whole would make decisions. If the need should arise in the future, for example following any acquisition, the Board may set up committees as appropriate.

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. The prospectus and detailed risks can also be found on the Company's website www.advancedadvt.com.

Responsibility Statement

Each of the Directors confirms that, to the best of their knowledge:

- (a) these Consolidated Interim Financial Statements, which have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

(b) these Consolidated Interim Financial Statements comply with the requirements of DTR 4.2

Neither the Company nor the Directors accept any liability to any person in relation to the interim 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 website at www.advancedadvt.com.

Vin Murria OBE
Chairperson
13 March 2023

Condensed Consolidated Statement of Comprehensive Income

		Six months ended 31 December	Six months ended 31 December
	Note	2022 Unaudited £	2021 Unaudited £
Administrative expenses	2	(167,005)	(237,894)
Fair Value on Financial Assets	5	<u>(1,080,000)</u>	-
Operating loss		(1,247,005)	(237,894)
Finance Income		<u>1,133,995</u>	19,346
Loss before taxation		(113,010)	(218,548)
Taxation	3	-	-
Loss for the period		(113,010)	(218,548)
Total comprehensive loss for the period attributable to owners of the parent		(113,010)	(218,548)
Loss per ordinary share (£)			
Basic	4	(0.00)	(0.00)
Diluted	4	(0.00)	(0.00)

The Group's activities derive from continuing operations.

Condensed Consolidated Statement of Financial Position

		As at 31 December 2022	As at 30 June 2022
	Note	Unaudited £	Audited £
Non-current assets			
Financial asset at fair value through profit or loss	5	18,120,000	19,200,000
		<u>18,120,000</u>	19,200,000
Current assets			
Trade and other receivables	6	662,568	101,485
Cash and cash equivalents	7	103,016,497	104,169,997
Total current assets		103,679,065	104,271,482
Total assets		121,799,065	123,471,482
Equity and liabilities			
Equity			
Sponsor share		2	2
Ordinary shares		131,166,131	131,166,131
Warrant reserve		98,000	98,000
Warrant cancellation reserve		350,000	350,000
Share-based payment reserve		353,135	305,104
Accumulated losses		(10,374,418)	(10,261,408)
Total equity		121,592,850	121,657,829
Current liabilities			
Trade and other payables	8	206,215	1,813,653
Total liabilities		206,215	1,813,653

Total equity and liabilities **121,799,065** **123,471,482**

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		-	-	-	-	-	-	-	-
<i>Issuance of 1 ordinary share</i>		-	1	-	-	-	-	-	1
<i>Redesignation of 1 ordinary share</i>		1	(1)	-	-	-	-	-	-
<i>Issuance of 700,000 ordinary shares and warrants</i>		-	602,000	-	98,000	-	-	-	700,000
<i>Share issue costs</i>		-	(275,300)	-	-	-	-	-	(275,300)
<i>Issuance of 2,500,000 Class A shares and warrants</i>		-	-	2,150,000	350,000	-	-	-	2,500,000
<i>Conversion of 2,500,000 Class A shares</i>		-	2,150,000	(2,150,000)	(350,000)	350,000	-	-	-
<i>Issuance of 130,000,000 ordinary shares</i>		-	130,000,000	-	-	-	-	-	130,000,000
<i>Share issue costs</i>		-	(1,310,569)	-	-	-	-	-	(1,310,569)
<i>Issuance of 1 sponsor share</i>		1	-	-	-	-	-	-	1
Total comprehensive loss for the period		-	-	-	-	-	-	(2,546,025)	(2,546,025)
<i>Share-based payment expense</i>		-	-	-	-	-	209,250	-	209,250
Balance as at 30 June 2021 (Audited)	2	131,166,131	-	98,000	350,000	209,250	(2,546,025)	129,277,358	
<i>Total comprehensive loss for the period</i>		-	-	-	-	-	-	(218,548)	(218,548)
<i>Share-based payment expense</i>		-	-	-	-	-	48,031	-	48,031
Balance as at 31 December 2021 (Unaudited)	2	131,166,131	-	98,000	350,000	257,281	(2,764,573)	129,106,841	
<i>Total comprehensive loss for the period</i>		-	-	-	-	-	-	(7,496,835)	(7,496,835)
<i>Share-based payment expense</i>		-	-	-	-	-	47,823	-	47,823
Balance as at 30 June 2022 (Audited)	2	131,166,131	-	98,000	350,000	305,104	(10,261,408)	121,657,829	
<i>Total comprehensive loss for the period</i>		-	-	-	-	-	-	(113,010)	(113,010)
<i>Share-based payment expense</i>		-	-	-	-	-	48,031	-	48,031
Balance as at 31 December 2022 (Unaudited)	2	131,166,131	-	98,000	350,000	353,135	(10,374,418)	121,592,850	

Consolidated Statement of Cash Flows

	Six months ended 31 December 2022	Six months ended 31 December 2021
Note	Unaudited	Unaudited

	£	£
Operating activities		
Loss for the period	(113,010)	(218,548)
Adjustments to reconcile total operating loss to net cash flows:		
Interest income	(1,133,995)	(19,346)
Fair Value adjustment on Investment	5 1,080,000	-
Add back share-based payment expense	2 48,031	48,031
Working capital adjustments:		
(Increase)/decrease in trade and other receivables and Prepayments	(288,426)	210,188
Decrease in trade and other payables	(1,607,438)	(32,728)
Net cash flows used in operating activities	<u>(2,014,838)</u>	<u>(12,403)</u>
Financing activities		
Interest income	861,339	19,346
Net cash flows from financing activities	<u>861,339</u>	<u>19,346</u>
Net (decrease)/increase in cash and cash equivalents	(1,153,499)	6,943
Cash and cash equivalents at the beginning of the period	104,169,996	129,224,447
Cash and cash equivalents at the end of the period	<u>7 103,016,497</u>	<u>129,231,390</u>

Notes to the Condensed Consolidated Financial Statements

1. SEGMENT INFORMATION

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

2. ADMINISTRATIVE EXPENSES BY NATURE

	Six months ended 31 December 2022 Unaudited £	Six months ended 31 December 2021 Unaudited £
Group administrative expenses by nature		
Directors' fees	112,021	111,340
Professional fees	74,056	32,396
Non-recurring project costs	(103,982)	(3,039)
Listing fees	24,140	44,288
Share based payment expense	48,031	48,031
Branding and website cost	11,262	3,637
Travel and entertainment	690	611
Bank charges	787	630
	<u>167,005</u>	<u>237,894</u>

3. TAXATION

	Six months ended 31 December 2022 Unaudited £	Six months ended 31 December 2021 Unaudited £
Analysis of tax in period		
Current tax for the period	-	-
Total current tax	<u>-</u>	<u>-</u>

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

Reconciliation of effective rate and tax charge:

	Six months ended 31 December 2022 Unaudited £	Six months ended 31 December 2021 Unaudited £
Loss on ordinary activities before tax	(113,010)	(218,548)
Expenses not deductible for tax purposes	1,128,102	48,031
Profit/(Loss) on ordinary activities subject to corporation tax	1,015,092	(170,517)
Profit/(Loss) on ordinary activities multiplied by the rate of corporation tax in the UK of 19%	192,867	(32,398)
Tax Losses utilised	(192,867)	-
Effects of:		
Losses carried forward for which no deferred tax recognised	-	32,398

Total taxation charge

At 31 December 2022, cumulative tax losses available to carry forward against future trading profits were £3,902,418 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.

4. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the profit/(loss) attributable to equity holders of a company by the weighted average number of ordinary shares in issue during the year. 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 Group 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.

The Company has issued two sponsor shares, the sponsor shares have no right to receive distributions and so have been ignored for the purposes of IAS 33.

	Six months ended 31 December 2022 Unaudited	Six months ended 31 December 2021 Unaudited
Loss attributable to owners of the parent	(113,010)	(218,548)
Weighted average number of ordinary shares in issue	133,200,000	133,200,000
Weighted average number of ordinary shares for diluted EPS	133,200,000	133,200,000
Basic and diluted loss per ordinary share (£'s)	0.00	0.00

5. INVESTMENTS

Principal subsidiary undertakings of the Group

The Company owns directly 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 Group
MAC I (BVI) Limited	Incentive vehicle	BVI	100%	100%
The registered office of MAC I (BVI) LimitedCommerce House, Wickhams Cay 1, P.O. Box 3140, 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 31 December 2022 Unaudited	As at 30 June 2022 Audited
			£	£
Level 1 Financial assets at fair value through profit or loss (FVTPL)			<u>18,120,000</u>	<u>19,200,000</u>
			<u>18,120,000</u>	<u>19,200,000</u>

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:

	Six months ended 31 December 2022 Unaudited	Six months ended 31 December 2021 Unaudited
Fair value (losses) on equity investments at FVTPL recognised in the profit or loss	<u>(1,080,000)</u>	-
	<u>(1,080,000)</u>	-

6. TRADE AND OTHER RECEIVABLES

	As at 31 December 2022 Unaudited	As at 30 June 2022 Audited
Amounts receivable in one year:		
Prepayments	20,553	11,271
Other receivables	272.660	65.488

Other receivable	369,355	24,726
	<u>662,568</u>	<u>101,485</u>

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.

7. CASH AND CASH EQUIVALENTS

	As at 31 December 2022	As at 30 June 2022
	Unaudited	Audited
	£	£
Cash and cash equivalents		
Cash at bank	20,114,984	64,169,997
Deposits on call	82,901,513	40,000,000
	<u>103,016,497</u>	<u>104,169,997</u>

Credit risk is managed on a Group 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.

8. TRADE AND OTHER PAYABLES

	As at 31 December 2022	As at 30 June 2022
	Unaudited	Audited
	£	£
Amounts falling due within one year:		
Trade payables	1,725	125,768
Accruals	88,646	1,572,041
A ordinary share liability	115,844	115,844
	<u>206,215</u>	<u>1,813,653</u>

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

9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

	As at 31 December 2022	As at 30 June 2022
	Unaudited	Audited
	£	£
Financial assets measured at amortised cost		
Cash and cash equivalents	103,016,497	104,169,997
Other receivables	272,660	65,488
Financial assets at fair value through profit or loss (FVTPL)	18,120,000	19,200,000
	<u>121,409,157</u>	<u>123,435,485</u>

Financial liabilities measured at amortised cost

Trade and other payables	206,215	1,813,653
	<u>206,215</u>	<u>1,813,653</u>

The fair value and book value of the financial assets and liabilities are materially equivalent.

As the Group's assets are predominantly cash and cash equivalents, market risk and liquidity risk are not currently considered to be material risks to the Group. There have been no changes to the Group's risk management policies or treasury management since 30 June 2022.

10. RELATED PARTY TRANSACTIONS

Antoinette Vanderpuije, the Company Secretary is a partner of Marwyn Investment Management LLP ("MIM LLP"). MIM LLP manages MVI II Holdings I LP which is beneficially owned by Marwyn Value Investors II LP. MVI II Holdings I LP holds 15.41 per cent of the Company's ordinary shares and 1 Sponsor Share.

Antoinette Vanderpuije has a beneficial interest in the Incentive Shares her indirect interest in MLTI which owns 2,000 A2 ordinary shares in the capital of MAC I (BVI) Limited.

Antoinette Vanderpuije is also a partner of Marwyn Capital LLP ("MCLLP"). MCLLP provides corporate finance, company secretarial and managed service support to the Company. The Company has incurred fees of £8,788 in respect of company secretarial and managed service support and £125,000 for services to the Company in regard to Project Maltesers. MCLLP incurred costs of £5,648, which it recharged the Company during the period.

11. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 December 2022 that requires disclosure or adjustment in these financial statements.

12. POST BALANCE SHEET EVENTS

No other matter or circumstance has arisen since 31 December 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.

[1] NAV per share estimated using 10 day VWAP price of 194p for the M&C Saatchi shares held as a Financial asset at fair value through profit or loss

[2] NAV per share estimated using 10 day VWAP price of 152p for the M&C Saatchi shares held as a Financial asset at fair value through profit or loss

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