

**Avanci Platform International Limited**  
**Directors' Report and Financial Statements**  
**For the Financial Year Ended 31 December 2022**

## Avanci Platform International Limited

### Company Information

<b>DIRECTORS</b>	Mark A. Taken Alex Fasell Rory Litton
<b>COMPANY SECRETARY</b>	Mark A. Taken
<b>REGISTERED NUMBER</b>	587904
<b>REGISTERED OFFICE</b>	The Hyde Building Unit 20 The Park Carrickmines Dublin 18
<b>INDEPENDENT AUDITORS</b>	BDO Statutory Audit Firm Miesian Plaza, Block 3 50-58 Baggot Street Lower Dublin 2
<b>BANKERS</b>	HSBC Continental Europe, Ireland 1 Grand Canal Square Grand Canal Harbour Dublin 2
<b>SOLICITORS</b>	Mason Hayes & Curran LLP South Bank House Barrow Street Grand Canal Dock Dublin 4

# Avanci Platform International Limited

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## Avanci Platform International Limited

### Directors' Report For the Financial Year Ended 31 December 2022

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

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is administering the international operations of a patent platform for onward licensing to licensees in the automotive industry outside the United States of America. Avanci Platform International Limited in conjunction with Avanci, LLC based in the US form the combined Avanci Group.

#### BUSINESS REVIEW

The Company has had a successful year with new profitable contracts being secured. These contracts should allow the Company to be profitable for the next year and management are actively looking to add new contracts as well. The directors are satisfied with the results for the year which are on budget. The directors emphasize that the Company only represents a component of the wider Avanci Group with Avanci LLC based in the United States. Avanci LLC incurs substantial expenditure at group level which is attributed to and recorded in those financial statements and not in the financial statements of Avanci Platform International Limited or other components in the wider group.

The principal risks affecting the Company are foreign exchange/potential litigation/securing new contracts but management regularly assess and try to mitigate/limit these risks.

#### RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to \$19,877,793 (2021 - \$16,286,238).

The directors have declared and paid a dividend of \$10,250,000 during the financial year ended 31 December 2022 (2021 - \$NIL).

#### DIRECTORS

The directors who served during the financial year were:

Mark A. Taken  
Alex Fasell  
Rory Litton

There were no changes in shareholdings between 31 December 2022 and the date of signing the financial statements. The directors and secretary and their families had no other interests in the shares of the Company at the balance sheet date.

#### ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at The Hyde Building, Unit 20, The Park, Carrickmines, Dublin 18.

#### STATEMENT ON RELEVANT AUDIT INFORMATION

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## Avanci Platform International Limited

### Directors' Report (continued) For the Financial Year Ended 31 December 2022

#### AUDIT COMMITTEE

The Company has decided not to establish an audit committee on the basis that forming an audit committee would result in additional expenses. The Company has set up a management committee that will liaise with the auditors in place of an audit committee.

#### COMPLIANCE STATEMENT

The directors acknowledge their responsibility for securing the Company's compliance with relevant obligations and confirm that they have taken appropriate measures to ensure such compliance.

The directors confirm that:

- a compliance policy statement, setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations (within the meaning of the Act) has been drawn up;
- appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the Company's relevant obligations have been put in place; and
- a review of those arrangements and structures has been conducted during the financial year.

#### POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

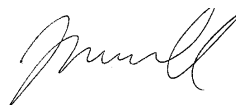
#### AUDITORS

The auditors, BDO, continue in office in accordance with section 383(2) of the Companies Act 2014.

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



**Mark A. Taken**  
Director



**Alex Fasell**  
Director

Date: 4 August 2023

## **Avanci Platform International Limited**

### **Directors' Responsibilities Statement For the Financial Year Ended 31 December 2022**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## Avanci Platform International Limited

### Independent Auditors' Report to the Shareholder of Avanci Platform International Limited

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### OPINION

We have audited the financial statements of Avanci Platform International Limited (the 'Company') for the financial year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its profit for the financial year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

##### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### OTHER INFORMATION

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



## Avanci Platform International Limited

### Independent Auditors' Report to the Shareholder of Avanci Platform International Limited (continued)

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

We have nothing to report in this regard.

#### OPINION ON THE OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

#### RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

##### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





## Avanci Platform International Limited

### Independent Auditors' Report to the Shareholder of Avanci Platform International Limited (continued)

#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://iaasa.ie/wp-content/uploads/2022/10/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/2022/10/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our Auditors' Report.

#### THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's shareholder in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Gavin Smyth'.

Gavin Smyth  
for and on behalf of  
**BDO**  
Dublin  
Statutory Audit Firm  
AI223876

4 August 2023

**Avanci Platform International Limited**

**Statement of Income and Retained Earnings  
For the Financial Year Ended 31 December 2022**

	Note	2022 \$	2021 \$
Turnover	4	126,682,366	37,999,431
Cost of sales		<u>(79,345,167)</u>	<u>(11,599,406)</u>
<b>GROSS PROFIT</b>		<b>47,337,199</b>	<b>26,400,025</b>
Administrative expenses		<u>(23,746,250)</u>	<u>(8,202,389)</u>
<b>OPERATING PROFIT</b>	5	<b>23,590,949</b>	<b>18,197,636</b>
Other interest receivable and similar income	7	<b>97,304</b>	<b>2,072</b>
<b>PROFIT BEFORE TAXATION</b>		<u><b>23,688,253</b></u>	<u><b>18,199,708</b></u>
Tax on profit	8	<u>(3,810,460)</u>	<u>(1,913,470)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>19,877,793</b></u>	<u><b>16,286,238</b></u>
Retained earnings at the beginning of the financial year		<b>17,766,655</b>	<b>1,480,417</b>
Profit for the financial year		<b>19,877,793</b>	<b>16,286,238</b>
Dividends declared and paid		<b>(10,250,000)</b>	<b>-</b>
<b>RETAINED EARNINGS AT THE END OF THE FINANCIAL YEAR</b>		<u><b>27,394,448</b></u>	<u><b>17,766,655</b></u>

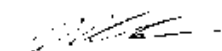
The notes on pages 9 to 17 form part of these financial statements.

**Avanci Platform International Limited**

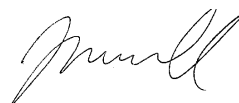
**Balance Sheet  
As at 31 December 2022**

	Note		2022 \$	2021 \$
<b>CURRENT ASSETS</b>				
Debtors: amounts falling due within one year	10	<b>47,924,640</b>	1,700,141	
Cash at bank and in hand	11	<b>38,265,285</b>	39,274,049	
		<u><b>86,189,925</b></u>	<u>40,974,190</u>	
Creditors: amounts falling due within one year	12	<b>(58,794,477)</b>	(23,206,535)	
<b>NET CURRENT ASSETS</b>			<u><b>27,395,448</b></u>	<u>17,767,655</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>27,395,448</b></u>	<u>17,767,655</u>
 <b>NET ASSETS</b>			<u><u><b>27,395,448</b></u></u>	<u><u>17,767,655</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital presented as equity	14		<b>1</b>	1
Share premium account	15		<b>999</b>	999
Profit and loss account	15		<b>27,394,448</b>	17,766,655
<b>SHAREHOLDERS' FUNDS</b>			<u><u><b>27,395,448</b></u></u>	<u><u>17,767,655</u></u>

The financial statements were approved and authorised for issue by the board:



**Mark A. Taken**  
Director



**Alex Fasell**  
Director

Date: 4 August 2023

The notes on pages 9 to 17 form part of these financial statements.

# Avanci Platform International Limited

## Notes to the Financial Statements For the Financial Year Ended 31 December 2022

### 1. GENERAL INFORMATION

These financial statements comprising the Statement of Income and Retained Earnings, the Balance Sheet, and the related notes constitute the individual financial statements of Avanci Platform International Limited for the financial year ended 31 December 2022.

Avanci Platform International Limited is a private company limited by shares incorporated in the Republic of Ireland. The Registered Office and principal place of business is The Hyde Building, Unit 20, The Park, Carrickmines, Dublin 18. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Inception International Limited as at 31 December 2022 and these financial statements may be obtained from Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1.

#### 2.3 GOING CONCERN

The financial statements have been prepared on the going concern basis. This assumes that the Company will continue in existence for the foreseeable future having adequate resources (including financial resources) to meet its obligations when they fall due. The Company has a history of profitable operations and as of December 31, 2022, the Company has in excess of \$27 million in available net assets.

Noting the above, the directors have deemed it appropriate to prepare these financial statements on the going concern basis.

## Avanci Platform International Limited

### Notes to the Financial Statements For the Financial Year Ended 31 December 2022

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.4 FOREIGN CURRENCY TRANSLATION

#### Functional and presentation currency

The Company's functional and presentational currency is USD.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

### 2.5 REVENUE

Revenue is recognised when control of a good or service transfers to a customer. The Company generates the majority of its revenue from licensing intellectual property (IP). Each licensing contract has unique terms and conditions and may involve significant up front payments in exchange for a release on prior sales in addition to sales-based royalties.

The Company recognises revenue from the licensing of intellectual property when licenses are granted to a customer at a point in time or over time and the Company's promise in granting the license to a customer is to provide the customer with either:

- a. A right to access the entity's intellectual property throughout the license period (or its remaining economic life, if shorter). These obligations provide rights, over the term of the license, to a dynamic portfolio of patents.
- b. A right to use the entity's intellectual property as it exists at the point in time at which the license is granted. These fees/services do not provide for rights to future technologies (static fee or consideration for past patent royalties).

As it relates to the release, the performance obligation and usage of the patents has occurred at the time the contract is entered into and therefore recorded at that time (point-in-time). Sales-based royalty income is recognized in the period that the licensees make sales in respect of which the royalties are payable. As it relates to any lump sum royalty, the IP portfolio licensed is dynamic and expected to substantively change during the license period, hence revenue is recorded throughout the license period (over-time).

## Avanci Platform International Limited

### Notes to the Financial Statements For the Financial Year Ended 31 December 2022

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.6 INTEREST INCOME

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

### 2.7 TAXATION

Tax is recognised in the Statement of Income and Retained Earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

### 2.8 DEBTORS

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

### 2.9 CASH AND CASH EQUIVALENTS

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

### 2.10 CREDITORS

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

### 2.11 FINANCIAL INSTRUMENTS

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

## Avanci Platform International Limited

### Notes to the Financial Statements For the Financial Year Ended 31 December 2022

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.11 FINANCIAL INSTRUMENTS (CONTINUED)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.12 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have had to make the following judgement:

The Company determines whether there are indicators of impairment of the total amounts due from group companies. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

#### 4. TURNOVER

An analysis of turnover is not provided by virtue of the exemption under schedule 3, Section 65(6) of the Companies Act 2014 as the directors consider that this would be prejudicial to the interests of the Company.

**Avanci Platform International Limited**

**Notes to the Financial Statements  
For the Financial Year Ended 31 December 2022**

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Exchange differences	<b>(41,736)</b>	<b>19,240</b>
	<u><u>          </u></u>	<u><u>          </u></u>

**6. EMPLOYEES**

The Company has no employees other than the directors, who did not receive any remuneration (2021 - \$NIL).

Capitalised employee costs during the financial year amounted to \$Nil (2021 - \$Nil).

**7. INTEREST RECEIVABLE**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Interest receivable from group companies	<b>97,304</b>	<b>2,072</b>
	<u><u>          </u></u>	<u><u>          </u></u>

**8. TAXATION**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	<b>1,838,850</b>	<b>1,810,438</b>
<b>WITHHOLDING TAX</b>		
Withholding tax on income for the year	<b>1,971,610</b>	<b>103,032</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u><u><b>3,810,460</b></u></u>	<u><u><b>1,913,470</b></u></u>



**Avanci Platform International Limited**

**Notes to the Financial Statements  
For the Financial Year Ended 31 December 2022**

**8. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE FINANCIAL YEAR**

The tax assessed for the financial year is higher than (2021 - *higher than*) the standard rate of corporation tax in Ireland of 12.5% (2021 - 12.5%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Profit on ordinary activities before tax	<b>23,688,253</b>	<b>18,199,708</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2021 - 12.5%)	<b>2,961,032</b>	<b>2,274,964</b>
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>952</b>	<b>536</b>
Capital allowances for financial year in excess of depreciation	<b>(50)</b>	<b>(70)</b>
Capital items expensed	<b>111</b>	<b>-</b>
Property tax	<b>234</b>	<b>-</b>
Higher rate taxes	<b>24,326</b>	<b>518</b>
Income tax withheld	<b>1,971,610</b>	<b>103,032</b>
Double taxation relief	<b>(152,131)</b>	<b>(2,798)</b>
Foreign tax deduction - trade related foreign income	<b>(280,770)</b>	<b>(841)</b>
Irish source interest income	<b>(12,163)</b>	<b>(259)</b>
Group relief	<b>(702,691)</b>	<b>(461,612)</b>
<b>TOTAL TAX CHARGE FOR THE FINANCIAL YEAR</b>	<b>3,810,460</b>	<b>1,913,470</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**Avanci Platform International Limited**

**Notes to the Financial Statements  
For the Financial Year Ended 31 December 2022**

**9. DIVIDENDS**

	2022 \$	2021 \$
Dividends	<u>10,250,000</u>	<u>-</u>

**10. DEBTORS**

	2022 \$	2021 \$
Trade debtors	47,846,113	476,449
Amounts owed by group undertakings	-	2,951
Other debtors	1,027	1,105,834
Prepayments	77,500	114,907
	<u>47,924,640</u>	<u>1,700,141</u>

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

**11. CASH AND CASH EQUIVALENTS**

	2022 \$	2021 \$
Cash at bank and in hand	<u>38,265,285</u>	<u>39,274,049</u>

**12. CREDITORS: Amounts falling due within one year**

	2022 \$	2021 \$
Trade creditors	87,434	73,348
Amounts owed to group undertakings	22,678,671	11,413,625
Corporation tax	-	1,176,447
Withholding tax	855,125	-
Customer advances	378,668	655,358
Revenue share payable	34,779,987	9,856,432
Accruals	14,592	31,325
	<u>58,794,477</u>	<u>23,206,535</u>

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

**Avanci Platform International Limited**

**Notes to the Financial Statements  
For the Financial Year Ended 31 December 2022**

**13. FINANCIAL INSTRUMENTS**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	<b>38,265,285</b>	39,274,049
Financial assets measured at amortised cost	<b>47,847,140</b>	1,585,234
	<u><b>86,112,425</b></u>	<u>40,859,283</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u><b>57,546,092</b></u>	<u>22,140,991</u>

Financial assets measured at fair value through profit or loss comprise cash balances.

Financial assets measured at amortised cost comprise amounts owed by group undertakings, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, revenue share payable and amounts owed to group undertakings.

**14. SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary share of €1.00	<u><b>1</b></u>	<u>1</u>

**15. RESERVES**

**Share premium account**

The share premium account represents the premium on the issue of ordinary shares.

**Profit and loss account**

The profit and loss account represents cumulative gains and losses recognised in the Statement of Income and Retained Earnings.

**16. CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2022.

## **Avanci Platform International Limited**

### **Notes to the Financial Statements For the Financial Year Ended 31 December 2022**

#### **17. RELATED PARTY TRANSACTIONS**

As a wholly owned subsidiary of Inception International Limited, the Company has taken advantage of the exemption of FRS 102 Section 33: Related Party Disclosures not to disclose transactions with other members of the group on the grounds that any subsidiary which is party to the transaction is wholly owned by such a member.

#### **18. POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

#### **19. CONTROLLING PARTY**

The Company is a 100% subsidiary of Inception International Limited. The ultimate parent undertaking and controlling party is Inception Holdings, LLC. The results of the Company are included within the consolidated financial statements of Inception Holdings, LLC and its Subsidiaries.

#### **20. APPROVAL OF FINANCIAL STATEMENTS**

The board of directors approved these financial statements for issue on 4 August 2023