

**IKIGAI VENTURES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022**

IKIGAI VENTURES LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

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IKIGAI VENTURES LIMITED

GENERAL INFORMATION

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Directors: Mr Ashley Charles Paxton (appointed 01 October 2021)
Mrs Meriel Catherine Lenfestey (appointed 01 October 2021)
Mr Nicholas Harris Bryan-Brown (appointed 01 April 2022)

Cosign Services Limited (appointed 22 June 2021, resigned 01 October 2021)
Spread Services Limited (appointed 22 June 2021, resigned 01 October 2021)
Mr Andrew Roberto Mankiewicz (appointed 22 June 2021, resigned 31 March 2022)
Anson Limited (appointed 28 May 2021, resigned 22 June 2021)
Cabot Limited (appointed 28 May 2021, resigned 22 June 2021)

Secretary: Cosign Limited (appointed 22 June 2021)
IQ EQ Secretaries (Guernsey) Limited (appointed 28 May 2021, resigned 22 June 2021)

Registered Office: Martello Court (with effect from 22 June 2021)
Admiral Park
St Peter Port
Guernsey
GY1 3HB

Anson Court (with effect from 28 May 2021 until 22 June 2021)
La Route des Camps
St Martin
Guernsey
GY4 6AD

Registered Number: 69265

IKIGAI VENTURES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

The directors submit the annual report and unaudited financial statements of Ikigai Ventures Limited (the "Company") which is incorporated in Guernsey, for the period ended 30 June 2022.

INCORPORATION

These are the first financial statements of the Company which was incorporated on 28 May 2021 and commenced operations on this date.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of holding investments. There has been no change in the activity of the Company during the period.

DIVIDENDS

The directors do not recommend the payment of a dividend.

RESULTS

The results of the Company for the period ended 30 June 2022 are shown in the Statement of Comprehensive Income on page 6.

COVID-19

The directors continue to monitor the repercussions of the COVID-19 pandemic on any potential impact on the future financial performance of the Company. At the date of signing these financial statements, whilst acknowledging that the pandemic is still active, the directors do not believe that this will have a significant financial impact on the Company in the medium to long term which will prevent the Company from continuing to use the going concern basis of accounting.

Russia/Ukraine

The geopolitical situation in Eastern Europe intensified in late February 2022, with the commencement of Russia's military action against Ukraine. The Company has not been directly impacted by the current war in Ukraine nor by the sanctions imposed on the Russian Federation but may face inflationary pressure as a result of the worldwide impact on global economies.

DIRECTORS

The directors of the Company during the period and for the period to the date these financial statements were signed were as follows:

Mr Ashley Charles Paxton	(appointed 01 October 2021)
Mrs Meriel Catherine Lenfestey	(appointed 01 October 2021)
Mr Nicholas Harris Bryan-Brown	(appointed 01 April 2022)
Cosign Services Limited	(appointed 22 June 2021, resigned 01 October 2021)
Spread Services Limited	(appointed 22 June 2021, resigned 01 October 2021)
Mr Andrew Roberto Mankiewicz	(appointed 22 June 2021, resigned 31 March 2022)
Anson Limited	(appointed 28 May 2021, resigned 22 June 2021)
Cabot Limited	(appointed 28 May 2021, resigned 22 June 2021)

UNAUDITED STATUS

A resolution has been passed by the members in accordance with the provisions of Section 256 of the Companies (Guernsey) Law, 2008, as amended (the "Law"), that the Company shall be exempt from any and all requirements under the Law to have its accounts audited for the period ended 30 June 2022.

IKIGAI VENTURES LIMITED

DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with the applicable Guernsey law and International Financial Reporting Standards ("IFRS") of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and accounting estimates that are reasonable and prudent;
- iii) state whether applicable IFRS EU accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. 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.

APPROVED BY THE BOARD OF DIRECTORS



Director



Director

Date: 30-Sep-2022

IKIGAI VENTURES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

(Expressed in Pounds Sterling)

	Notes	Period ended 30 June 2022	
		GBP	GBP
INCOME			
Bank interest			20
			<u>20</u>
EXPENSES			
Administration fees		55,510	
Legal and professional fees		367,044	
Initiation fee	7	50,000	
Annual registration fees		500	
Directors' remuneration		79,717	
Directors' fees		4,248	
Travel expenses		2,019	
Insurance		18,207	
Bank charges		679	
Sundry expenses		<u>1,015</u>	
			578,939
OPERATING LOSS		GBP	(578,919)
Loss on foreign exchange			(571)
COMPREHENSIVE LOSS FOR THE PERIOD		GBP	<u>(579,490)</u>

There were no items of other comprehensive income during the period, accordingly, only a single statement of comprehensive income is presented.

The accompanying notes form an integral part of these financial statements.

IKIGAI VENTURES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

(Expressed in Pounds Sterling)

	Notes	As at 30 June 2022	
		GBP	GBP
CURRENT ASSETS			
Other current assets	4	8,376	
Cash and cash equivalents		<u>116,157</u>	
		124,533	
CURRENT LIABILITIES			
Trade and other payables	5	<u>143,023</u>	
		143,023	
NET CURRENT (LIABILITIES)			(18,490)
NET (LIABILITIES)		GBP	<u>(18,490)</u>
CAPITAL AND RESERVES			
SHARE CAPITAL	7		-
SHARE PREMIUM			561,000
RETAINED EARNINGS			(579,490)
		GBP	<u>(18,490)</u>

The financial statements on pages 6 to 17 were signed and approved for release by the Board of Directors on

As directors of **Ikigai Ventures Limited**



Director



Director

30-Sep-2022

Date

The accompanying notes form an integral part of these financial statements.

IKIGAI VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

(Expressed in Pounds Sterling)

		Share Capital GBP	Share Premium GBP	Retained Earnings GBP	Total Equity GBP
AT 28 MAY 2021	Notes	-	-	-	-
Issued share capital	7	1	561,000	-	561,001
Redemption of redeemable shares	7	(1)	-	-	(1)
Loss for the period		-	-	(579,490)	(579,490)
AT 30 JUNE 2022		<u>-</u>	<u>561,000</u>	<u>(579,490)</u>	<u>(18,490)</u>

The accompanying notes form an integral part of these financial statements.

IKIGAI VENTURES LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

(Expressed in Pounds Sterling)

	Period ended 30 June 2022 GBP
CASH FLOWS FROM OPERATING ACTIVITIES	
Total comprehensive loss for the period	(579,490)
Adjustments for:	
Initiation fee	50,000
<i>Add/(deduct) working capital changes:</i>	
Increase in other current assets	(8,376)
Increase in trade and other payables	143,023
NET CASH USED IN OPERATING ACTIVITIES	<u><u>(394,843)</u></u>
NET CASH USED IN INVESTING ACTIVITIES	<u><u>-</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of share capital	511,000
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u><u>511,000</u></u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	116,157
Cash and cash equivalents at the beginning of the period	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>116,157</u></u>

The accompanying notes form an integral part of these financial statements.

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

1 GENERAL INFORMATION

Ikigai Ventures Limited (the "Company") is a private company limited by shares incorporated on 28 May 2021 in Guernsey under the Companies (Guernsey) Law, 2008, as amended and is registered in Guernsey. The address of the Company's registered office is Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB and the Company's registration number is 69265.

Statement of Compliance

The Company Financial Information gives a true and fair view, comply with the Companies (Guernsey) Law, 2008, as amended and was prepared in accordance with the UK-adopted international accounting standards ("IFRS UK") International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS EUUK"). IFRS EUUK includes standards and interpretations approved by the International Accounting Standards Board, including International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee who replaced the Standards Interpretations Committee.

2 Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with IFRS UK.

The functional and presentation currency of these financial statements is Pounds Sterling.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Significant Accounting Policies

2.1 Financial Instruments

Financial Assets

The Company's financial assets are cash and cash equivalents and other current assets. The classification is determined by management at initial recognition and depends on the purpose for which the financial assets are acquired.

The Company initially recognises receivables issued when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Receivables are subsequently carried at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any differences between the initial and maturity amounts using the effective interest method. Loans and receivables are reviewed for impairment assessment.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less any bank overdrafts.

Other current assets

Debtors principally consist of prepayments which are carried at amortised cost.

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership or has not retained control of the financial asset.

Financial Liabilities

All financial liabilities are initially recognised on the trade date when the entity becomes party to the contractual provisions of the instrument.

Financial liabilities which includes trade and other payables and are recognised initially at fair value, net of directly attributable transaction costs. Financial liabilities are subsequently stated at amortised cost, using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognised from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

2.2 Equity

Share capital represents the nominal value of shares that have been issued.

Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on the date of grant.

Share premium includes any contributions from equity holders over and above the nominal value of shares issued. Any transaction costs associated with the issuance of shares are deducted from share premium.

Retained earnings represent all current period results of operations as reported in the statement of profit or loss, reduced by the amounts of dividends declared.

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

2.3 Costs and expenses

Cost and expenses are recognised in profit or loss upon utilisation of goods or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.4 Taxation

The Company is liable to tax at the standard Guernsey rate of 0%.

2.5 Going Concern

The financial statements have been prepared using the going concern basis of accounting as the directors are comfortable that on listing on the London Stock Exchange (and on release of funds from the Escrow account), the Company will receive a cash injection from its pre-IPO investors totalling GBP1,960,000. (See note 11)

COVID-19

The directors continue to monitor the repercussions of the COVID-19 pandemic on any potential impact on the future financial performance of the Company. At the date of signing these financial statements, whilst acknowledging that the pandemic is still active, the directors do not believe that this will have a significant financial impact on the Company in the medium to long term which will prevent the Company from continuing to use the going concern basis of accounting.

Russia/Ukraine

The geopolitical situation in Eastern Europe intensified in late February 2022, with the commencement of Russia's military action against Ukraine. The Company has not been directly impacted by the current war in Ukraine nor by the sanctions imposed on the Russian Federation but may face inflationary pressure as a result of the worldwide impact on global economies.

3 Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be materially different when compared to actual results.

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

4	OTHER CURRENT ASSETS	2022 GBP
	Prepayments	8,376
		<u>8,376</u>
5	TRADE AND OTHER PAYABLES	2022 GBP
	Administration fees	11,353
	Legal and professional fees	115,199
	Directors' remuneration	12,500
	Travel expenses	3,951
	Sundry expenses	20
		<u>143,023</u>
6	TAXATION	
	The Company is subject to Guernsey income tax at 0%.	
7	SHARE CAPITAL	2022 GBP
	Allotted, Issued and Fully Paid	
	16,500,000 ordinary shares of no par value	<u>-</u>
		<u>-</u>

On incorporation, the Company issued 1 redeemable preference share of GBP1 at par of GBP1. On 29 July 2021, a re-designation of 1 ordinary share to a redeemable share held by Tanglin Capital Limited was executed and further redeemed by the Company.

On 29 July 2021, Tanglin Capital Limited invested GBP10,000 into the Company as cash consideration for 10,000,000 ordinary shares of no par value at a price of GBP0.001 per share.

On 20 August 2021 and 8 September 2021, the Company issued 3,000,000 and 2,000,000 Ordinary Shares of no par value at a price of GBP0.10 per share in connection with the pre-IPO fundraising, raising a total of GBP500,000.

On 20 August 2021 the Company agreed to issue a Warrant to Strand Hanson Limited to subscribe at any time during the three years following the date of issue of the Warrant for an aggregate number of shares equal to one per cent of the enlarged issued share capital of the Company. The Warrant can be freely assigned by Strand Hanson Limited to any subsidiary or associated company, shareholders or employees. Strand Hanson Limited was given GBP50,000 in equity as an initiation fee which equates to 500,000 ordinary Shares of no par value at a price of GBP0.10 per share.

On 05 April 2022 Nicholas Harris Bryan-Brown invested GBP1,000 into the Company as cash consideration for 1,000,000 ordinary shares of no par value at a price of GBP0.001 per share.

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

8 RELATED PARTY TRANSACTIONS

The directors' remuneration for Mr Ashley Charles Paxton, Mrs Meriel Catherine Lenfestey and Mr Andrew Roberto Mankiewicz for the period was GBP12,500, GBP12,500 and GBP53,333 respectively.

Mr Andrew Roberto Mankiewicz has also received GBP28,419 as reimbursement of travel, meetings and legal and professional fees paid on behalf of the company during the period from inception to 30 June 2022.

The directors' remuneration for Cosign Services Limited and Spread Services Limited was GBP1,384 for the period.

The remaining directors have GBPnil remuneration for the period.

9 ULTIMATE CONTROLLING PARTY

The Company is ultimately controlled by Tanglin Capital Limited which is the Parent company, with Tanglin Capital Limited ultimately controlled by Mr Andrew Roberto Mankiewicz. Throughout the year, four seed investors purchased shares namely Xangbo Global Markets Pte Ltd, Mr Yasuhiro Sakamoto, Strand Hanson Limited and Nicholas Harris Bryan-Brown. As the Company is due to list on the London Stock Exchange in August 2022, the seed round is closed, and further Pre-IPO investors have purchased shares.

10 FINANCIAL RISK MANAGEMENT

The Company is exposed to a number of risks arising from the financial instruments it holds. The main risks to which the Company is exposed are market risk, credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below as follows:

10.1.1 Market risk

Market risk is the risk that changes in market prices such as equity prices, interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Price risk

The Company is not directly or indirectly exposed to any significant price risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments recognised in the Statement of Financial Position.

Cash and cash equivalents are interest bearing but not at significant levels.

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Currency risk

The Company is not exposed to the risk that the exchange rate of its reporting currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of the Company's financial assets or liabilities denominated in currencies other than GBP as all financial assets or liabilities are denominated in GBP.

10.1.2 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents as well as outstanding receivables.

The Company assesses all counterparties for credit risk before contracting with them. The credit risk on cash and cash equivalents is mitigated by entering into transactions with counterparties that are regulated entities subject to prudential supervision, with high credit ratings assigned by international credit rating agencies. Cash and cash equivalents are held with Barclays Bank plc, which at the year end was assigned a credit rating of A by Standard and Poor's rating agency.

The maximum exposure to credit risk is the carrying amount of the financial assets set out below.

	2022
	GBP
Cash and cash equivalents	<u>116,157</u>
Total credit risk exposure	<u><u>116,157</u></u>

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

10.1.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk can arise from mismatches in the timing of cash flows relating to assets and liabilities. The Company receives funding from the shareholders and does not have significant ad hoc expenses to settle. The only significant expense that the Company is exposed to are general operating expenses.

The table below analyses the Company's financial assets and liabilities into the relevant maturity groupings based on the remaining period at the reporting date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 30 June 2022

	Less than 1 month/on demand	1-12 months	More than 12 months	Total
Assets				
Other current assets	8,376	-	-	8,376
Cash and cash equivalents	116,157	-	-	116,157
	<u>124,533</u>	-	-	<u>124,533</u>
Liabilities				
Trade and other payables	143,023	-	-	143,023
	<u>143,023</u>	-	-	<u>143,023</u>

10.2 Capital risk management

The capital of the Company is represented by the net assets attributable to the equity shareholder. The Company's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders.

IKIGAI VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 28 MAY 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

11 POST BALANCE SHEET EVENT

The Company is expecting to list on the London Stock Exchange in August 2022 and has Pre-IPO investors totalling GBP1,960,000 after the year end, placement statistics are as follows:

Price (per Ordinary Share)	£0.50
Number of Ordinary Shares in issue immediately following Admission	20,420,000
Number of Ordinary Shares in the Placement	3,920,000
Number of Ordinary Shares in the Placement as a percentage of total number of Ordinary Shares in issue immediately following Admission	19.20%
Number of Ordinary Shares pursuant to Warrants on admission	204,200
Estimated gross proceeds of the Placement receivable by the Company ²	£1,960,000
Estimated net proceeds receivable by the Company	£1,259,835
Expected market capitalisation of the Company ²	10,210,000