MARWYN ACQUISITION COMPANY II LIMITED

Group Consolidated Financial Statements for the period from incorporation on 31 July 2020 to 30 June 2021

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We present to shareholders the audited consolidated financial statements of Marwyn Acquisition Company II Limited (the "**Company**") for the period from incorporation on 31 July 2020 to 30 June 2021 (the "**Consolidated Financial Statements**"), consolidating the results of Marwyn Acquisition Company II Limited and its subsidiary, MAC II (BVI) Limited (collectively, the "**Group**" or "**MAC**").

Strategy

The Company was incorporated on 31 July 2020 and subsequently listed on the Main Market of the London Stock Exchange on 4 December 2020. 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'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.

The Directors 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.

While a broad range of sectors will be considered by the Directors, those which they believe will provide the greatest opportunity and which the Company will initially focus on include:

- Media & Entertainment;
- Technology & Software;
- Consumer E-commerce;
- Healthcare & Diagnostics; and
- Business-to-Business Services.

The Directors may consider other sectors if they believe such sectors present a suitable opportunity for the Company.

The Company will seek to identify situations where a combination of management expertise, improving operating performance, freeing up cashflow for investment, and implementation of a focussed buy and build strategy can unlock growth in their core markets and often into new territories and adjacent sectors.

Activity

During the period, the Directors have continued to progress the Company's strategy in seeking appropriate management partners and considering the optimal capital structure to execute the Company's strategy.

As announced in April 2021, this has included exploring the potential for a further equity raise of up to £200m of redeemable shares and warrants, prior to the identification of an acquisition. The Directors believe that being able to demonstrate the Company's access to equity capital alongside the management team's past track record of successful fundraising and transaction execution, will further enhance the Company's competitiveness in accessing high quality businesses with which to combine. Furthermore, the Directors believe that the structure and flexibility that the MAC corporate structure affords, and close alignment between management incentivisation and long-term shareholder returns, including the absence of the highly dilutive promote structure commonly found in other acquisition company models, gives the Company a significant advantage over its competitors.

In connection with the Company's ongoing activities, an accrual has been made for costs associated with a further equity raise at the balance sheet date as described in more detail in note 12. There is currently no certainty that the potential capital raise will take place nor of its terms should it do so.

Results

The Group's loss after taxation for the period to 30 June 2021 was £636,096. Of the costs incurred in the period, £263,769 relates to non-recurring project costs. During the period, the Company raised £12,439,701 through the issue of equity (net of expenses) and held a cash balance at the period end of £12,255,387. The Group has not yet acquired an operating business and as such is not yet income generating.

Directors

The Directors of the Company have served as directors for the period from incorporation until the date of this report. The Directors are:

James Corsellis (Chairman); and
Mark Brangstrup Watts.

Directors' Biographies

James Corsellis

James brings extensive public company experience as well as management and corporate finance expertise across a range of sectors and an extensive network of relationships with co-investors, advisers and other business leaders.

Previously James has served as a director of the following companies: a non-executive director of BCA Marketplace Limited (formerly BCA Marketplace Plc) from July 2014 to December 2017, Advanced Computer Software from October 2006 to August 2008, non-executive chairman of Entertainment One Limited from January 2007 to March 2014 and remaining on the board as a non-executive director until July 2015, non-executive director of Breedon Aggregates Limited from March 2009 to July 2011 and as CEO of icollector Plc from 1994-2001 amongst others. James was educated at Oxford Brookes University, the Sorbonne and London University.

James is a managing partner of Marwyn Capital LLP and Marwyn Investment Management LLP, an executive director of Silvercloud Holdings Limited, and a director of Marwyn Acquisition Company Plc, AdvancedAdvT Limited and Marwyn Acquisition Company III Limited.

Mark Brangstrup Watts

Mark has many years of experience deploying long term investment strategies in the public markets. Mark brings his background in strategic consultancy to the management team, having been responsible for strategic development projects at a range of international companies including Ford Motors Company (US), Cummins (Japan) and 3M (Europe).

Previously Mark has served a director of the following companies: a non-executive director of Zegona Communications Plc from January 2015 to May 2020, BCA Marketplace Limited (formerly BCA Marketplace Plc) from July 2014 to December 2017, Advanced Computer Software from October 2006 to September 2012, Entertainment One Limited from June 2009 to July 2013, Silverdell Plc from March 2006 to December 2013, Inspicio Holdings Limited from October 2005 to February 2008 and Talarius Limited September 2005 to February 2007 amongst others. Mark has a BA in Theology and Philosophy from King's College, London.

Mark is a managing partner of Marwyn Capital LLP and Marwyn Investment Management LLP, an executive director of Silvercloud Holdings Limited, and a director of Marwyn Acquisition Company Plc and Marwyn Acquisition Company III Limited.

Dividend Policy

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

Key Performance Indicators

The Company has not yet acquired a trading business and therefore no key performance indicators have been set as it is inappropriate to do so.

Stated Capital

Details of the stated capital of the Company during the period are set out in note 14 to the Consolidated Financial Statements.

On 4 December 2020 the Company issued 700,000 ordinary shares and matching warrants for a total price of £700,000. 75% of the ordinary shares and matching warrants were issued to an entity managed by Marwyn Investment Management LLP ("**MIM LLP**"), the remaining 25% were issued to senior executive managers of previous successful acquisition companies launched by Marwyn.

On 20 April 2021, the Company announced that it had issued 12 million A shares to an entity managed by MIM LLP (with class A warrants being issued on the basis of one class A warrant per A share), for a total price of £12,000,000.

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 and given the size and nature of the Group the Directors have decided not to adopt 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 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 and may decide to comply with the UK Corporate Governance Code.

Risk management and internal control systems

A robust risk assessment was carried out by the Directors of the Company, along with its advisers, in preparation for the Company's IPO on 4 December 2020 and the Directors have identified a wide range of risks, which are set out in the Company's prospectus dated 4 December 2020. The Company's prospectus is available on the Company's website: www.marwynac2.com.

The Company's risk management framework incorporates a risk assessment that identifies and assesses the strategic, operational 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 mitigating 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 in which they 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.

The Group's only significant is cash. As at the statement of financial position date the Group's cash balance was £12,255,387. Price, credit, liquidity and cashflow risk are not considered to be significant due to the simple nature of the Company's assets and liabilities and the current activities undertaken by the Group. The Directors have set out below the principal risks faced by the business. These are the risks the Directors consider to be 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 particular order of priority.

Key risk	Explanation
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 may include public offer and transaction documentation, legal, accounting and other due diligence which could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

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 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 investment opportunity in respect of which it incurs costs, for example through due diligence and/or financing, but the Company cannot assure Investors that it will be successful against such competition. 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.

Directors interests

The Directors have no direct interests in the ordinary shares of the Company. The Directors have interests in the Company’s long term incentive plan, as detailed in note 17 to the Consolidated Financial Statements. James Corsellis and Mark Brangstrup Watts are managing partners of Marwyn Investment Management LLP which manages 75% per cent of the ordinary shares and matching warrants, and 100% of the A shares and matching A warrants issued by the Company. James Corsellis and Mark Brangstrup Watts are also managing partners of Marwyn Capital LLP, a firm which provides corporate finance advice, company secretarial services and ad-hoc managed services support to the Company. Details of the related party transactions which occurred during the period are disclosed in note 18 to the Consolidated Financial Statements, save for the participation in the Company’s long term incentive plan as disclosed in note 17 to the Consolidated Financial Statements. 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.

Outlook

We believe there is significant opportunity to invest in businesses that have the potential to be long term beneficiaries of the changes to their respective sectors and the underlying acceleration of digitalisation that the current macro environment has brought about. We are actively considering the optimal route for shareholders for the Company to execute a platform acquisition, which includes the potential further equity raise as discussed above of up to £200m ahead of a specific target being identified. We are confident in delivering the Company’s strategy and creating significant value for our shareholders.

The Directors are responsible for preparing the Group consolidated financial statements in accordance with applicable laws and regulations, including the BVI Business Companies Act, 2004. The Directors have prepared the financial statements for the period from incorporation to 30 June 2021, which present fairly the state of affairs of the Group and the profit or loss of the Group for that period.

The Directors have acted honestly and in good faith and in what the Directors believes to be in the best interests of the Company.

The Directors have chosen to use International Financial Reporting Standards as adopted by the European Union ("**IFRS**") in preparing the Group's financial statements. International Accounting Standard 1 requires that financial statements present fairly for each financial period the group's financial position, financial performance and cash flows. This requires the faithful presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS.

A fair presentation also requires the Directors to:

- select consistently and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; 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 also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Stock Exchange.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

Financial information is published on the Group's website. The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor's accept no responsibility for any changes that may occur to the financial statements after they are presented initially on the website. Legislation in the British Virgin Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibilities Pursuant to DTR4 In compliance with the Listing Rules of the London Stock Exchange, the Directors confirm to the best of their knowledge:

- The group financial statements have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.

- The management report includes a fair review of the development and performance of the business and the financial position of the group, together with a description of the principal risks and uncertainties that they face.

This Directors' Report was approved by the Board of Directors on 29 October 2021 and is signed on its behalf.

By Order of the Board

James Corsellis
Chairman
29 October 2021

Independent auditor's report to the members of Marwyn Acquisition Company II Limited

Opinion

We have audited the financial statements of Marwyn Acquisition Company II Limited and its subsidiary (the 'group') for the period ended 30 June 2021 which comprise:

- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash Flows; and
- Notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2021 and of the group's loss for the period then ended; and
- have been properly prepared in accordance with IFRS as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed entities, 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.

Our audit procedures to evaluate the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's ability to continue as a going concern;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the group's future financial position and performance;
- Challenging the appropriateness of the directors' assumptions in their assessment of the group's ability to continue as a going concern; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures. These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key audit matter	How our audit responded to the key audit matter
Classification and valuation of warrants *Refer to the Accounting Policies (page 19-23); and Note 13 of the Consolidated Financial Statements (page 26-27)* The warrants issued to investors are subject to judgement in both classification and valuation. The classification of the warrants is complex and must consider the nature and details of the instruments contracts to determine the correct classification between equity and liabilities. Further the fair value of these warrants was determined 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 which is complex and involves estimates and judgements. **Key figures** **£1,778k** Fair value of Warrants	**Classification:** — We obtained an understanding of management's assessment for the classification of these instruments and the rationale for their classification. — We utilised financial reporting specialists to review the classification of these instruments and management's assessment in accordance with IAS 32 and IFRS 9 and we challenged management on their assessment. **Valuation:** — We obtained the valuation report prepared by management's expert. — In conjunction with Mazars internal valuation experts, we performed the review of and validation of the valuation assumptions, methodology and calculations in respect of the valuation of the instruments and determined whether it was in accordance with the requirements of IFRS 9 and IFRS 13. **Disclosure:** — We reviewed the relevant disclosures in the consolidated financial statements in accordance with the requirements of the IFRS as adopted by the European Union. **Key observations** Based on our procedures performed, we are satisfied that the management's judgements and estimates in respect of the valuation and classification of warrants for the period ended 30 June 2021 along with the related disclosures in the consolidated financial statements are appropriate.

Emphasis of Matter – recognition and classification of prepayments relating to a possible further equity raise

We draw your attention to note 3 of the consolidated financial statements, which describes the critical accounting judgements made in respect of the recognition and classification of prepayments relating to a possible further equity raise. An amount of £592,827 has been recognised as a prepayment at period end which management intend to be taken as a deduction from equity on the issuance of shares in the future. However, there is no certainty that a future issuance of shares will take place. In the event that a further equity raise is not concluded, these costs will be expensed to profit or loss. Our opinion is not modified in respect of this matter.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Consolidated financial statements
Overall materiality	£509k
How we determined it	We calculated overall materiality at 5% of total equity.
Rationale for benchmark applied	Total equity has been used as the basis for overall materiality as the group is not trading and is an investment vehicle, the main transactions in the period relate to the raising of capital and therefore we considered that total equity was the most appropriate basis for materiality.

As part of our audit we determined performance materiality being an amount set by us that is less than overall materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Based on our professional judgement, we determined performance materiality as follows:

	Consolidated financial statements
Performance materiality	£356k
How we determined performance materiality	70% of overall materiality. We set performance materiality at this level taking into account the fact that this is our first period of engagement.

We agreed with the directors that we would report to them misstatements identified during our audit above £15k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the group, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

The group is principally accounted for as one and therefore our audit scope included an audit of the Company and its subsidiary. All Group companies were within the scope of our audit testing.

We also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities statement set out on page 7 to 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to rules and regulations applicable to listed entities and UK and overseas tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and position, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of warrants and share based payments, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

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

Use of the audit report

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

Mazars LLP
Chartered Accountants

Tower Bridge House
St Katharine's Way
London
E1W 1DD
United Kingdom

29 October 2021

	Note	Period ended 30 June 2021 £'s
Administrative expenses	6	(636,100)
Operating loss		**(636,100)**
Finance income		4
Loss before income taxes		**(636,096)**
Income tax	7	-
Loss for the period		**(636,096)**
Total other comprehensive income		-
Total comprehensive loss for the period		**(636,096)**

Loss per share		**£**
Basic and diluted	8	(0.2130)

The Group's activities derive from continuing operations.

The notes on pages 19 to 33 form an integral part of these Financial Statements.

		As at 30 June 2021
Assets	**Note**	**£'s**
Current assets		
Other receivables	10	651,708
Cash and cash equivalents	11	12,255,387
Total current assets		**12,907,095**
Total assets		**12,907,095**
Equity and liabilities		
Equity		
Ordinary Shares	14	326,700
A Shares	14	10,320,000
Sponsor share	14	1
Share-based payment reserve	17	169,960
Accumulated losses		(636,096)
Total equity		**10,180,565**
Current liabilities		
Trade and other payables	12	948,530
Warrants	13	1,778,000
Total liabilities		**2,726,530**
Total equity and liabilities		**12,907,095**

The notes on pages 19 to 33 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 29 October 2021 and were signed on its behalf by:

James Corsellis
Chairman

Mark Brangstrup Watts
Director

	Notes	Ordinary Shares	A Shares	Sponsor Share	Share based payment reserve	Accumulated losses	Total equity
		£'s	£'s	£'s	£'s	£'s	£'s
Balance at incorporation		-	-	-	-	-	-
Issuance of 1 ordinary share		1	-	-	-	-	1
Redesignation of 1 ordinary share		(1)	-	1	-	-	-
Issuance of 700,000 ordinary shares[1]	14	602,000	-	-	-	-	602,000
Share issue costs	14	(275,300)	-	-	-	-	(275,300)
Issuance of 12,000,000 A shares[1]	14	-	10,320,000	-	-	-	10,320,000
Total comprehensive loss for the period		-	-	-	-	(636,096)	(636,096)
Share-based payment charge	17	-	-	-	169,960	-	169,960
Balance at 30 June 2021		326,700	10,320,000	1	169,960	(636,096)	10,180,565

The notes on pages 19 to 33 form an integral part of these Financial Statements.

[1]The amounts raised from issuance of ordinary shares and matching warrants and A shares and matching A warrants were required to be split between equity and warrant liability based on the fair value attributable to these. Therefore, the amounts shown should be considered alongside the warrant liability as detailed in note 13.

	Note	For the period ended 30 June 2021 £'s
Operating activities		
Loss for the period		(636,096)
Adjustments to reconcile total operating loss to net cash flows:		
Share-based payment expense	17	154,960
Working capital adjustments:		
Increase in other receivables		(651,708)
Increase in trade and other payables		948,530
Net cash flows used in operating activities		**(184,314)**
Financing activities		
Proceeds from issue of ordinary shares	14	700,001
Proceeds from issue of A shares	14	12,000,000
Proceeds from issue of ordinary A share capital in MAC II (BVI) limited		15,000
Costs directly attributable to equity raise		(275,300)
Net cash flows received from financing activities		**12,439,701**
Net increase in cash and cash equivalents		12,255,387
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	11	**12,255,387**

The notes on pages 19 to 33 form an integral part of these Financial Statements.

1. GENERAL INFORMATION

Marwyn Acquisition Company II Limited was incorporated on 31 July 2020 in the British Virgin Islands ("**BVI**") as a BVI business company (registered number 2040956) 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, P.O. Box 3140, Road Town, Tortola, VG1110, British Virgin Islands 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 II (BVI) Limited (together with the Company the "**Group**").

2. ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements for the period from incorporation to 30 June 2021 have been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations as adopted by the European Union (collectively, "**IFRS**") and are presented in British pounds sterling, which is the presentational currency of the Group. The Financial Statements have been prepared under the historical cost basis, except for the revaluation of certain financial instruments that will be measured at fair value at the end of each reporting period, as explained in the accounting policies below. This is the Group's first set of financial statements since incorporation and as such no comparatives have been presented.

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied throughout the period presented.

(b) Going concern

At 30 June 2021, the Group has net assets of £10,180,565 and a cash balance of £12,255,387. The Company also entered into a forward purchase agreement ("**FPA**") on 27 November 2020 with Marwyn Value Investors II LP (''**MVI II LP**'') of up to £20 million, which may be drawn for general working capital purposes and to fund due diligence costs. Any drawdown is subject to the prior approval of MVI II LP and the satisfaction of conditions precedent. At the period end £12 million had been drawn down under the FPA. Whilst the FPA provides a mechanism for the Company to raise additional funds, as any drawdown is not under the exclusive control on the Company, all cashflow and working capital forecasts have been prepared without any further draw down on the FPA being assumed.

As set out in the Management Report, the Company is actively considering the potential further equity raise of up to £200 million of redeemable shares and warrants, prior to the identification of an acquisition. Should the potential equity raise not be completed, 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 alongside or subsequent to the appointment of industry leading executives to the Company. 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. The key risks relating to the Company's ability to execute its stated strategy are set out on pages 5 and 6. Based on the current cash position, the Company has sufficient resources to continue to pursue its stated investment strategy.

The Directors have also considered the ongoing operating costs expected to be incurred by the business over at least the next 12 months. Based on their review the Directors have concluded that there are no material uncertainties relating to going concern of the Group and as such the Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due within the next 12 months from the date of approval.

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

Standards, amendments and interpretations issued but not yet effective:

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

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
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 entities controlled by the Company. Control exists when the Company 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 over the entity. The financial information of subsidiaries is fully consolidated from the date that control commences until the date that control ceases.

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial information.

(e) 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.

The Group initially recognises financial assets and financial liabilities at fair value. With the exception of warrants, financial assets and liabilities are subsequently remeasured at amortised cost using the effective interest rate.

Warrants

Warrants are accounted for as derivative liability instruments under IAS 32 and are measured at fair value at the date of issue and remeasured at each subsequent reporting date with changes in fair value being recognised in profit and loss. 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. The warrant liability will be derecognised when the liability is extinguished either through exercise or expiry.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances at banks.

(g) Equity

Ordinary shares, A shares and sponsor shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised in equity as a deduction from the proceeds.

(h) 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. 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.

(i) Loss per ordinary share

The Group presents basic earnings per ordinary share (“**EPS**”) data for its ordinary shares. Basic 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 EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares.

(j) Share based payments

The A ordinary shares in MAC II (BVI) Limited (the "**Incentive Shares**"), represent equity-settled share-based payment arrangements under which the Group 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. Fair value is determined using an appropriate valuation technique, further details of which are given in note 17. 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 as the services are deemed to have been received in full, the fair value is recognised as an expense with a corresponding increase in equity recognised at grant date.

(k) Warrants

On 4 December 2020, the Company issued 700,000 ordinary shares and matching warrants. Under the terms of the warrant instrument, warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues.

On 20 April 2021, the Company issued 12,000,000 A shares and matching A warrants at a price of £1 for one ordinary A share and matching A warrant. Under the terms of the warrant instrument, warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues.

Warrants are accounted for as derivative liability instruments under IAS 32 and are measured at fair value at the date of issue and each subsequent balance sheet date. 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's 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.

Critical accounting judgements

Classification of warrants

The Directors consider the warrants to represent a derivative liability due to the potential modification of the exercise price. This modification fails the fixed for fixed test, as outlined in IAS 32 para 16, that requires the Company to provide a fixed number of Shares for a fixed amount of cash. This liability is required to be assessed at each balance sheet date with a review of the underlying inputs undertaken.

The initial fair value recognised for the warrants affects the corresponding entry in equity recognised for the issue of shares as the proceeds are required to be allocated between equity and liability. This is due to the proceeds received from the issue of equity deemed to have been received for both the issue of the shares and the warrants attached.

Recognition and classification of prepayment relating to a possible further equity raise

As announced by the Company on 20 April 2021, the Company is actively considering a possible further equity raise of up to £200 million to support the Company's stated strategy. In relation to this, an accrual has been made for costs incurred at the balance sheet date totalling £713,160. The Directors have considered each of the accrued costs to determine whether:

(i) they are directly attributable to the issuance of shares, and therefore would be taken as a deduction from equity on the issuance of further equity, or;

(ii) they should be taken directly to Profit or Loss.

At the period end, £592,827 has been included in current asset prepayments (refer to note 10) as these costs are directly attributable to a future issuance of shares which the Directors intend to conclude within the next 12 months at which point these costs would be subsequently reclassified from prepayments to equity. However, there is no certainty that this capital raise will take place. If this further equity raise is not concluded, these costs will be expensed to profit and loss.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

Valuation of warrants

The Company has issued matching warrants for both its issues of ordinary shares and A shares. For every share subscribed for, each investor was also granted a warrant ("**Warrant**") to acquire a further share at an exercise price of £1.00 per share (subject to a downward adjustment under certain conditions). The Warrants are exercisable at any time until five years after the issue date. 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.

Valuation of Incentive Scheme

The Company has issued Incentive Shares as part of the creation of a long-term incentive scheme which is valued using a Monte Carlo model. This model requires estimation and judgment surrounding the inputs of exercise price, expected volatility, risk free rate, expected dividends, and expected term of the Warrants.

Other disclosures relating to the Group's exposure to risk and uncertainties are included in note 16.

4. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. As the Group has not yet acquired an operating 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.

5. EMPLOYEES AND DIRECTORS

The Group does not have any employees. During the period ended 30 June 2021, the Company had two directors: James Corsellis and Mark Brangstrup Watts, neither director received remuneration under the terms of their director service agreements. The Company's subsidiary has issued Incentive Shares as more fully disclosed in note 17 in which the Directors are indirectly beneficially interested.

6. ADMINISTRATIVE EXPENSES

	For the period ended 30 June 2021 £'s
Group expenses by nature	
Non-recurring project, professional and diligence costs	263,769
Professional support	178,347
Audit fees payable to Mazars LLP for their audit of the Group (Note 20)	35,000
Share-based payment expenses (Note 17)	154,960
Other expenses	4,024
	636,100

7. INCOME TAX

	For the period ended 30 June 2021 £'s
Analysis of tax in period	
Current tax on loss for the period	-
Total current tax	-

Reconciliation of effective rate and tax charge:	For the period ended 30 June 2021 £'s
Loss on ordinary activities before tax	(636,096)
Loss multiplied by the rate of corporation tax in the UK of 19%	**(120,859)**
Effects of:	
Other disallowable expenditure	29,973
Tax losses not utilised	90,886
Total taxation charge	-

The Group is tax resident in the UK. As at 30 June 2021, cumulative tax losses available to carry forward against future trading profits were £478,343 subject to agreement with HM Revenue & Customs. There is currently no certainty as to future profits and no deferred tax asset is recognised in relation to these carried forward losses. Under UK Law, there is no expiry for the use of tax losses.

8. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the loss attributable to equity holders of the 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 weighted average number of shares has not been adjusted in calculating diluted EPS as there are no instruments which have a current dilutive effect.

The Company maintains three different share classes, being ordinary shares, A shares and sponsor shares. The key difference between ordinary shares and A shares is that the ordinary shares are traded with voting rights attached. The share classes both have equal rights to the residual net assets of the company, which enables them to be considered collectively as one class per the provisions of IAS 33. The sponsor share has no rights to distribution rights so has been ignored for the purposes of IAS 33.

Refer to note 13 (warrants) and note 17 (share based payments) for instruments that could potentially dilute basic EPS in the future.

	For the period ended 30 June 2021
Loss attributable to owners of the parent (£'s)	(636,096)
Weighted average in issue	2,986,827
Basic and diluted loss per ordinary share (£'s)	(0.2130)

9. LIST OF CONSOLIDATED COMPANIES

Marwyn Acquisition Company II Limited is the parent company of the Group, the Group comprises of Marwyn Acquisition Company II Limited and the following subsidiary as at 30 June 2021:

Company name	Nature of business	Country of incorporation	Proportion of ordinary shares held directly by parent
MAC II (BVI) Limited	Incentive vehicle	British Virgin Islands	100%

The share capital of MAC II (BVI) Limited consists of both ordinary shares and A ordinary shares. The A ordinary shares are held by Marwyn Long Term Incentive LP (''**MLTI**'') and are non-voting. Further detail on the Incentive Shares is given in note 17.

There are no restrictions on the parent company's ability to access or use the assets and settle the liabilities of the parent company's subsidiary The registered office of MAC II (BVI) Limited is Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, VG1110, British Virgin Islands.

10. OTHER RECEIVABLES

	As at 30 June 2021 £'s
Amounts receivable within one year:	
Prepayments	597,485
Due from related party (Note 18)	23,964
VAT receivable	30,259
	651,708

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. Other receivables are all current.

Prepayments at the period end includes professional costs of £592,827 incurred in connection with a potential equity raise that will be deducted from equity should the equity raise complete. This is discussed in further detail in note 12 and outlined in the critical accounting judgements in note 3.

11. CASH AND CASH EQUIVALENTS

	As at 30 June 2021 £'s
Cash and cash equivalents	
Cash at bank	12,255,387
	12,255,387

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.

12. TRADE AND OTHER PAYABLES

	As at 30 June 2021 £'s
Amounts falling due within one year:	
Trade payables	88,870
Due to a related party (Note 18)	41,355
Accruals	818,305
	948,530

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

In connection with the Company's exploration of a potential further equity raise as announced to the market on 20 April 2021, the Company has incurred professional adviser costs in the period to the balance sheet date totalling £713,160. Of this amount, £592,827 has been taken to prepayments as can be seen in note 10 as it directly relates to the potential issuance of share capital and therefore, should this further equity raise be completed, would be reflected in equity. The remaining £120,333 has been taken to the profit and loss account and is included within non-recurring project, professional and diligence costs.

The accruals of £713,160 are non-interest bearing and are expected to be settled within 12 months and have been classified as current. This is further outlined in the critical accounting judgements in note 3.

All trade payables are non-interest bearing and are usually paid within 30 days.

13. WARRANT LIABLITY

	As at 30 June 2021 £'s
Amounts falling due within one year:	
Warrant liability - ordinary shares	98,000
Warrant liability – A shares	1,680,000
	1,778,000

On 4 December 2020, the Company issued 700,000 ordinary shares and matching warrants at a price of £1 for one ordinary share and matching warrant. Under the terms of the warrant instrument, warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues. Warrants are fully vested at the period end and are immediately exercisable for 5 years from the date of issue.

On 20 April 2021, the Company issued 12,000,000 A shares and matching warrants at a price of £1 for one A share and matching A warrant. Under the terms of the warrant instrument, warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues. Warrants are fully vested at the period end and are immediately exercisable for 5 years from the date of issue.

13. WARRANT LIABLITY (CONTINUED)

Warrants are accounted for as a level 3 derivative liability instruments and are measured at fair value at grant date and each subsequent balance sheet date. The warrants and A warrants were separately valued at the date of grant. For both the warrants and A warrants, the combined market value of one share and one Warrant was considered to be £1, in line with the market price paid by third party investors. A Black-Scholes option pricing methodology was used to determine the fair value, which considered the exercise prices, expected volatility, risk free rate, expected dividends and expected term.

The key assumptions used in determining the fair value of the Warrants are as follows:

Combined price of a share and warrant	£1
Exercise price	£1
Expected volatility	25.0%
Risk free rate	0.32%
Expected dividends	0.0%
Expected term	5 years from the IPO (4.4 years from period end)

On initial recognition, Warrants had a fair value of 14p per Warrant which remained unchanged at balance date. A 5-percentage point in the expected volatility rate would not have a material impact on the fair value of the Warrants.

14. SHARE CAPITAL

Issued and fully paid	**As at 30 June 2021 £'s**
700,000 ordinary shares of no par value	326,700
12,000,000 A shares of no par value	10,320,000
1 sponsor share of no par value	1
Total	10,646,701

	Ordinary share of no par value	**Sponsor share of no par value**	**Ordinary shares of no par value**	**A shares of no par value**
Issued and fully paid				
Opening number of shares on incorporation	1	-	-	-
Capital reorganisation:				
Sponsor share of no par value	(1)	1	-	-
Shares issued during the period:				
Ordinary shares of no par value	-	-	700,000	-
Ordinary A shares of no par value	-	-	-	12,000,000
Closing number of shares at period end	-	1	700,000	12,000,000

14. SHARE CAPITAL (CONTINUED)

On incorporation, the Company issued 1 ordinary share of no par value to MVI II Holdings I LP. On 30 September 2020, it was resolved that updated memorandum and articles ("**Updated M&A**") be adopted by the Company and with effect from the time the Updated M&A be registered with the Registrar of Corporate Affairs in the British Virgin Islands, the 1 ordinary share which was in issue by the Company be redesignated as 1 sponsor share of no par value (the "**Sponsor Share**").

On 4 December 2020, the Company issued 700,000 ordinary shares and matching warrants at a price of £1 for one ordinary share and matching warrant. As a result of the fair value exercise of the warrants, 14p was attributed to the warrants and therefore each ordinary share has been valued at 86p per share. Holders of ordinary shares are entitled to receive notice and attend and vote at any meeting of members. Costs of £275,300 directly attributable to this equity raise have been taken against stated capital during the period.

On 20 April 2021, the Company issued 12,000,000 A shares and matching A warrants at a price of £1 for one A share and matching A warrant. As a result of the fair value exercise of the A warrants, 14p was attributed to the A warrants and therefore each ordinary share has been valued at 86p per share. The A shares do not have voting rights and are not listed on any exchange. There were no costs directly attributable to the issue of these shares.

Both ordinary shares and A shares are entitled to receive 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. Only ordinary shares have voting rights attached. The Sponsor Share confers upon the holder no right to receive notice and attend and vote at any meeting of members, no right to any distribution paid by the Company and no right to a share in the distribution of the surplus assets of the Company on a summary winding-up. Provided the 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), they have the right to appoint one director to the Board.

The Company must receive the prior consent of the holder of the Sponsor Share, where the holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company, in order to:

- Issue any further Sponsor Shares;
- 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 Group's Statement of Principles; or
- amend, alter or repeal any existing, or introduce any new share-based compensation or incentive scheme in respect of the Group; and
- 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.

The Sponsor Share also confers upon the 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 the Sponsor (or an individual 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) or are a holder of incentive shares.

15. RESERVES

The following describes the nature and purpose of each reserve within shareholders' equity:

Accumulated losses

Cumulative losses recognised in the Consolidated Statement of Comprehensive Income.

Share based payment reserve

The share based payment reserve is the cumulative amount recognised in relation to the equity-settled share based payment scheme as further described in note 17.

16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The fair value measurement of the Group's financial and non-financial assets and liabilities utilities market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "**fair value hierarchy**"):

Level 1: Quoted prices in active markets for identical items;
Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
Level 3: Unobservable inputs, thus not derived from market data.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group has the following categories of financial instruments as at 30 June 2021:

	As at 30 June 2021 £'s
Financial assets measured at amortised cost	
Cash and cash equivalents (Note 11)	12,255,387
Due from related party (Note 18)	23,964
	12,279,351
Financial liabilities measured at amortised cost	
Trade and other payables (Note 12)	948,530
	948,530
Financial liabilities measured at measure at fair value to profit and loss	
Warrant Liability (Note 13)	1,778,000
	1,778,000

All financial instruments are classified as current assets and current liabilities. There are no non-current financial instruments as at 30 June 2021.

16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

For details of the fair value hierarchy, valuation techniques, and significant unobservable inputs related to determining the fair value of the warrant liability, which are classified in level 3 of the fair value hierarchy, refer to note 13 for further detail.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. 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.

17. SHARE-BASED PAYMENTS

Management Long Term Incentive Arrangements

The Group has put in place a Long-Term Incentive Plan ("**LTIP**"), to ensure alignment between Shareholders, and those responsible for delivering the Company's strategy and attract and retain the best executive management talent.

The LTIP will only reward the participants if shareholder value is created. This ensures alignment of the interests of management directly with those of Shareholders. As at the balance sheet date, an executive management team is not yet in place and as such Marwyn Long Term Incentive LP ("**MLTI**") is the only participant in the LTIP. Once an executive management team is appointed, they will participate in the LTIP and this will be dilutive to MLTI. Under the LTIP, A ordinary shares ("**Incentive Shares**") are issued by the Subsidiary.

As at the statement of financial position date, MLTI had subscribed for redeemable A ordinary shares of £0.01 each in the Subsidiary entitling it to 100 percent of the incentive value.

Preferred Return

The incentive arrangements are subject to the Company's shareholders achieving a preferred return of at least 7.5 percent 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 percent 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 percent of the Growth being the "**Incentive Value**").

Grant date

The grant date of the Incentive Shares will 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. It is

17. SHARE-BASED PAYMENTS (CONTINUED)

currently expected that in the ordinary course Incentive Shares will be exchanged for Ordinary Shares. However, the Company retains the right but not the obligation to redeem the Incentive Shares for cash instead. 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.

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 in order for a holder of Incentive Shares to exercise its redemption right.

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 of 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 of 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. where by corporate action or otherwise, the Company effects an in-specie distribution of all or substantially all of the assets of the Group 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.

Holding of Incentive Shares

MLTI holds Incentive Shares entitling it 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.

The following shares were issued on 25 November 2020

	Nominal Price	Issue price per A ordinary share £'s	Number of A ordinary shares	Unrestricted market value at grant date £'s	IFRS 2 Fair value £'s
Marwyn Long Term Incentive LP	£0.01	7.50	2,000	15,000	169,960

17. SHARE-BASED PAYMENTS (CONTINUED)

Valuation of Incentive Shares

A valuation of the incentive shares has been prepared by Deloitte LLP dated 12 February 2021 to determine the fair value of the Incentive Shares 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 per cent. 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

An expense of £154,960 has been recognised in the Statement of Comprehensive Income in respect of the Incentive Shares issued to MLTI which is the difference between the IFRS 2 valuation at grant date of £169,960 and the amount payable by MLTI for 2,000 A ordinary shares of £15,000. There are no service conditions attached to the MLTI shares, and hence the expense of £154,960 has been recognised in the consolidated statement of comprehensive income for the period. The fair value at grant date has been taken to the share-based payment reserve in the statement of changes in equity.

18. RELATED PARTY TRANSACTIONS

James Corsellis and Mark Brangstrup Watts are directors of the Company and Antoinette Vanderpuije is the Company Secretary of the Company. Funds managed by Marwyn Investment Management LLP (“**MIM**”), of which James Corsellis and Mark Brangstrup Watts are managing partners and Antoinette Vanderpuije is a partner, hold 75 per cent. of the Company's issued ordinary shares and warrants and 100% of the A shares and A warrants at the statement of financial position date. During the period MIM recharged expenses of £11,805, of which £nil was outstanding at the period end.

James Corsellis, Mark Brangstrup Watts and Antoinette Vanderpuije have an indirect beneficial interest in the Incentive Shares as described in note 17 of the Consolidated Interim Financial Statements through their indirect interest in MLTI which owns 2,000 A ordinary shares in the capital of MAC II (BVI) Limited.

James Corsellis and Mark Brangstrup Watts are the managing partners of Marwyn Capital LLP, and Antoinette Vanderpuije is also a partner. Marwyn Capital LLP provides corporate finance advice, named company secretary, and managed service support to the Company. As part of this engagement a fee of £150,000 was charged in relation to the Company’s equity raise on IPO. On an ongoing basis a monthly fee of £10,000 per calendar month charged for the provision of the corporate finance services and managed services support on a time spent basis. The total amount charged in the period ended 30 June 2021 by Marwyn Capital LLP for fees was £232,400 and they had incurred expenses on behalf of the Company of £7,395. £41,355 was outstanding as at the period end.

The Company has recharged costs associated with provision of project services of £23,964 inclusive of VAT to Marwyn Acquisition Company III Limited (“**MAC III”**), of which £23,964 was due to the Company at period end. MAC III is related to the Group through James Corsellis and Mark Brangstrup Watts being directors of MAC III.

19. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 30 June 2021 which would require disclosure or adjustment in these Financial Statements.

20. INDEPENDENT AUDITOR'S REMUNERATION

For the period ended 30 June 2021, the Group has appointed Mazars LLP as the Group's independent auditor, replacing Baker Tilly Channel Islands Limited. Audit fees payable to Mazars LLP for the period ended 30 June 2021 are £35,000. Fees payable to Mazars LLP for the period ended 30 June 2021 in respect of audit related procedures in respect of a potential capital markets transaction are £17,500 (refer note 12).

21. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events that would require disclosure or adjustment to these Financial Statements.

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