MARWYN ACQUISITION COMPANY II LIMITED

Unaudited Interim
Condensed Consolidated Financial Statements for the
six months ended 31 December 2022

MARWYN

Acquisition Company II

CONTENTS

I present to shareholders the unaudited interim condensed consolidated financial statements of Marwyn Acquisition Company II Limited (the "**Company**") for the six months to 31 December 2022 (the "**Consolidated Interim 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 is an acquisition vehicle incorporated on 31 July 2020 and subsequently listed on the Main Market of the London Stock Exchange on 4 December 2020. The vehicle is led by Chairman Mark Hodges, who was previously CEO of ReAssure, prior to which he held senior executive plc board positions at a number of large financial services and consumer businesses including Centrica, Towergate and Aviva.

The Company is backed by Marwyn who have launched 11 previous comparable acquisition vehicles that have acquired platform businesses, which include Advanced Computer Software, BCA Marketplace, Breedon Aggregates and Entertainment One.

The company is pursuing its stated investment strategy of seeking acquisition opportunities in the financial services, consumer and technology sectors.

The Directors believe that the current market backdrop has, amongst a range of drivers, four notable interrelated themes, shaping a clear customer need that remains largely unmet.

1. **Changing Population and demographics**

   Per recent estimates, there are currently 21 million people aged 55 and over in the UK (2020) and 99 million people aged 55 and over in the US (2021). This global trend is likely to have a significant impact on economies, social care systems and household finances and the Directors believe future financial solutions will need to reflect an increasing level of intergenerational financial and social dependencies with financial products, advice and life solutions needing to be tailored to meet a spectrum of complex multi-generational needs.

2. **Wealth transfer and the role of families**

   Intergenerational wealth transfer is expected to exceed US$68 trillion, with £5.5 trillion of this in the UK, underpinning the increasing importance of the role played by families in providing future financial solutions.
   - In the UK, one in every two first-time buyers aged under 35 is receiving financial support from their parents;
   - 71% of these new homeowners say they would not have been likely to buy without financial support from family or friends;
   - 75% of parents provide financial support to children who have left home;
   - 43% of parents with children aged 30+ say they are helping them financially;
   - In the US in 2018, families and friends supported one in every five existing home buyers with the purchase of 1.2 million homes, financing US$317 billion worth of homes; and
   - US parents are spending US$500 billion on their adult children per annum.

3. **Social and non-financial family support**
   - 5.4 million people in the UK provide unpaid care for a friend or family member with over 1.4 million people providing fifty or more hours of care per week. The peak age of carers in the UK is 55-64 with 29% of adults providing care and 22% of people aged over 65 providing unpaid care.
   - In the US, where 53 million people are providing unpaid care to an adult with health or functional needs, 61% of these carers are fully employed and 45% say caregiving had at least one financial impact (e.g. stopped saving or took on more debt).

- 10 million caregivers (25% of US caregivers) fall into the millennial age range (22-37), of which, 73% are employed but also spend an average of 21 hours a week caring for loved ones.

4. Concentration of wealth

- In the UK, household wealth is principally concentrated in property (36%) and pension assets (42%)
- In the US, household wealth is similarly concentrated in pensions (20%), real estate (24%) and equities (27%).

Opportunities for a new approach to family-focussed financial solutions

With the combination of these social and macroeconomic conditions and trends, the Directors believe all generations are facing increasingly challenging financial situations which are creating several problems to be solved. The Directors believe there is a well-defined need and opportunity, now more than ever, for clear and impartial support and solutions to be provided to, and shared amongst, friends, family and peers.

Strategy Execution

The Company intends to execute its strategy through a combination of selective M&A of platform and bolt-on businesses, potential strategic partnerships with established financial services operators as well as ongoing operational improvements in any acquired businesses. Target company market segments, principally expected to be in the UK and US, may include, but are not limited to:

- FinTech digital platforms;
- Digital content platforms;
- Life and pensions;
- Life-insurance assets;
- Lifetime mortgages and equity release;
- Wealth managers and advisers;
- Brokerage and associated services;
- Mortgage advisory;
- Healthcare related services;
- Estate planning and associated legal and tax services; and
- Later life planning and assisted care services.

Activity

Through the period to date we have made good progress in the development of the Company's strategy, the composition of the Board and in identifying and progressing a pipeline of potential executive management appointments, target M&A opportunities and potential future commercial partnerships. The Directors remain excited about delivering on the Company's objective of generating long term returns for shareholders and enhancing value of the acquired businesses by supporting sustainable growth, further acquisitions, and performance improvements with the acquired companies.

On 7 November 2022, the Company announced the appointment of Cathryn Riley as Non-executive Director. Cathryn is a highly experienced financial services industry executive and non-executive director, having worked across both public and private markets. She has had a wide-ranging career covering insurance, customer services, IT, operations and human resources. She was previously Group Chief Operations Director at Aviva plc, where she worked for 17 years, in roles including Group CIO, UK Commercial Director, CIO/COO Europe and COO. Prior to Aviva, Cathryn was general manager of transformation at BUPA, as well as a consultant in the financial services division of Coopers & Lybrand. On 7 November 2022, the Company also announced that Mark Brangstrup Watts had resigned from the Board.

On 27 March 2023, the Company announced that Will Self commenced his role as Chief Executive Officer – Pensions Division, to lead the identification, acquisition, and integration of pensions businesses for the Group, leading the advancement of the Group's stated investment strategy. Will joins the Group from Curtis Banks Group PLC (CBP:LON) where he was Chief Executive Officer. Prior to this, he was Chief Executive Officer of Suffolk Life, a division of Legal & General. He holds a variety of non-executive roles and an MBA from Cranfield.

On 29 March 2022, the Company announced the launch of a 12-month placing programme (the "**Placing Programme**") pursuant to which the Company has the ability to issue up to 500 million C ordinary redeemable shares ("**C Shares**") at an issue price of £1 per C share in order to raise up to an aggregate of £500 million. The Placing Programme lapses on 31 March 2023, at which time £723,592 of costs incurred which are currently included in current asset deferred costs (refer to Note 3) will be taken to the profit and loss account and recorded under non-recurring project, professional and diligence costs. The Directors believe that allowing the current Placing Programme to lapse saves the significant legal and professional fees and management time that would be incurred in its renewal whilst the focus remains firmly on identifying the Company's platform acquisition, but also does not preclude the Company from issuing a further placing programme prospectus in the future should the use of C shares be considered particularly advantageous at that time for the ongoing strategic direction of the Company.

Results

The Group's loss after taxation for the period to 31 December 2022 was £1,213,621 (period to 31 December 2021: loss of £658,746). The Group held a cash balance at the period end of £9,091,686 (as at 30 June 2021: £10,254,198).

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.

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 Business 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.

Risks

The Directors, alongside the Company's advisers, have performed a robust risk assessment and have identified a wide range of risks, which are set out in the Company's prospectuses dated 4 December 2020 (in relation to the Company's IPO) and 31 March 2022 (in relation to the Placing Programme. The Company's prospectuses are available on the Company's website: www.marwynac2.com. The Company's audited annual report and financial statements for the year ended 30 June 2022, which are available on the Company's website, set out the risk management and internal control systems for the Group and identifies the risks that the Directors consider to be most relevant to the Company based on its current status. The Directors are of the opinion that there have been no changes to the risks faced by the Company since the publication of the annual report and financial statements and that these remain applicable for the remaining six months of the year.

Outlook

In the work we have done over the period, including the progression of our strategy and customer proposition, we are even more convinced of the scale and scope of the opportunity. We are actively progressing discussions regarding further appointments to the Company's executive management team to capitalise on this and are continuing to develop and evaluate a pipeline of potential platform acquisitions and commercial partnerships, at varying stages of progression. We look forward to updating our shareholders in due course with regards further progress.

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

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

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

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

Details on the Company's Board of Directors can be found on the Company website at www.marwynac2.com.

Mark Hodges
Chairman
31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 31 December 2022 Unaudited £	Six months ended 31 December 2021 Unaudited £
Administrative expenses	6	(1,177,027)	(785,746)
Total operating loss		**(1,177,027)**	**(785,746)**
Finance income		90,406	-
Fair value (loss)/gain on warrant provision	13	(127,000)	127,000
Loss for the period before tax		**(1,213,621)**	**(658,746)**
Income tax	7	-	-
Loss for the period		**(1,213,621)**	**(658,746)**
Total other comprehensive income			-
Total comprehensive loss for the period		**(1,213,621)**	**(658,746)**
Loss per ordinary share			
Basic and diluted	8	(0.10)	(0.05)

The Group's activities derive from continuing operations.

The Notes on pages 11 to 23 form an integral part of these Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
Assets			
Current assets			
Other receivables	10	886,280	805,360
Cash and cash equivalents	11	9,091,686	10,254,198
Total current assets		**9,977,966**	**11,059,558**
Total assets		**9,977,966**	**11,059,558**
Equity and liabilities			
Equity			
Ordinary Shares	14	326,700	326,700
A Shares	14	10,320,000	10,320,000
Sponsor share	14	1	1
Share-based payment reserve	15	185,781	171,129
Accumulated losses		(3,784,235)	(2,570,614)
Total equity		**7,048,247**	**8,247,216**
Current liabilities			
Trade and other payables	12	389,719	399,342
Warrants	13	2,540,000	2,413,000
Total liabilities		**2,929,719**	**2,812,342**
Total equity and liabilities		**9,977,966**	**11,059,558**

The Notes on pages 11 to 23 form an integral part of these Consolidated Interim Financial Statements.

The financial statements were approved by the Board of Directors on 31 March 2023 and were signed on its behalf by:

Mark Hodges
Chairman

James Corsellis
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Ordinary shares	A Shares	Sponsor share	Share based payment reserve	Accumulated losses	Total equity
		£	£	£	£	£	£
Balance as at 1 July 2022		**326,700**	**10,320,000**	**1**	**171,129**	**(2,570,614)**	**8,247,216**
Total comprehensive loss for the period		-	-	-	-	(1,213,621)	(1,213,621)
Share-based payment expense	15	-	-	-	14,652	-	14,652
Balance as at 31 December 2022		**326,700**	**10,320,000**	**1**	**185,781**	**(3,784,235)**	**7,048,247**

	Notes	Ordinary shares	A Shares	Sponsor share	Share based payment reserve	Accumulated losses	Total equity
		£	£	£	£	£	£
Balance at 1 July 2021		**326,700**	**10,320,000**	**1**	**169,960**	**(636,096)**	**10,180,565**
Total comprehensive loss for the period		-	-	-	-	(658,746)	(658,746)
Balance as at 31 December 2021		**326,700**	**10,320,000**	**1**	**169,960**	**(1,294,842)**	**9,521,819**

The Notes on pages 11 to 23 form an integral part of these Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 31 December 2022 Unaudited	Six months ended 31 December 2021 Unaudited
		£	£
Operating activities			
Loss for the period		(1,213,621)	(658,746)
Adjustments to reconcile total operating loss to net cash flows:			
Less: Finance income		(90,406)	-
Add back/(deduct) fair value movement on warrant liability	13	127,000	(127,000)
Add back share based payment expense	15	14,652	-
Working capital adjustments:			
(Increase) / decrease in trade and other receivables and prepayments		(80,920)	405,773
Decrease in trade and other payables		(9,623)	(157,716)
Net cash flows used in operating activities		**(1,252,918)**	**(537,689)**
Investing activities			
Interest received		90,406	-
Net cash flows used in investing activities		**90,406**	**-**
Net decrease in cash and cash equivalents		(1,162,512)	(537,689)
Cash and cash equivalents at the beginning of the period		10,254,198	12,255,387
Cash and cash equivalents at the end of the period	11	**9,091,686**	**11,717,698**

The Notes on pages 11 to 23 form an integral part of these Consolidated Interim 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, British Virgin Islands VG1110 and UK establishment at 11 Buckingham Street, London WC2N 6DF. The Company has been formed for the purpose of effecting a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar business combination with one or more businesses. The Company has one wholly owned subsidiary, MAC II (BVI) Limited (together with the Company the "**Group**").

2. ACCOUNTING POLICIES

(a) Basis of preparation

The Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and are presented on a condensed basis.

The Consolidated Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report and Consolidated Financial Statements for the year ended 30 June 2022, which is available on the Company's website www.marwynac2.com. Accounting policies applicable to these Consolidated Interim Financial Statements are consistent with those applied in the Group's Annual Report and Consolidated Financial Statements for the period ended 30 June 2022.

(b) Going concern

The Consolidated Interim 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 twelve months from the date of approval.

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

New standards and amendments to International Financial Reporting Standards
The accounting policies adopted in the preparation of these Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 30 June 2022, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, updated to adopt those standards which became effective for periods starting on or before 1 July 2022: Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37), Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16), Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41), Amendments to IFRS 3: References to Conceptual Framework (all of which had an effective date of 1 January 2022). None of these standards have had a material impact on the Group.

Standards 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 expected that these standards will have a material impact on the Group.

2. ACCOUNTING POLICIES (CONTINUED)

Standard	Effective date
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
Amendments to IFRS 4 – Extension of temporary exemption of applying IFRS 9	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a similar transaction	1 January 2023
Amendments to IFSR 16 – Lease liability in sale and leaseback*	1 January 2024
Amendments to IAS 1 – Liabilities with covenants*	1 January 2024

*Subject to endorsement by the EU

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

Significant accounting judgements

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

As at the period end, £723,592 has been included in current asset deferred costs (refer to note 10) as these costs are directly attributable to a future issuance of shares under the Placing Programme. As detailed in the Management Report and note 19, the Placing Programme lapses on 31 March 2023, and as such, on this date the £723,592 of costs incurred which are currently included in current asset deferred costs will be taken to the profit and loss account and recorded under non-recurring project, professional and diligence costs.

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). Effective 31 March 2022, the exercise date for the Warrants was extended to the 5th anniversary of a Business Acquisition, prior to this date the Warrants were exercisable at any time until five years after the issue date. The Warrants are valued using the Black-Scholes option pricing methodology which considers the exercise price, expected volatility, risk free rate, expected dividends, and expected term of the Warrants.

4. SEGMENT INFORMATION

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

5. EMPLOYEES AND DIRECTORS

Employment cost for the Group during the period:

	For six months Ended 31 December 2022 Unaudited £	For six months Ended 31 December 2021 Unaudited £
Employment costs for the Group during the period		
Directors' fees	135,694	-
Social security costs	18,901	-
	154,595	**-**

The board considers the Directors of the company, along with senior employees, to be the key management personnel of the Group.

During the six months ended 31 December 2022, the Company had the following directors: James Corsellis, Mark Brangstrup Watts (resigned 6 November 2022), Mark Hodges (appointed 19 June 2022) and Catherine Riley (appointed 6 November). The Company has not had any employees since incorporation.

Mark Hodges was appointed as a Non-Executive Director and Chairman. Under the terms of his appointment letter, he is entitled to an annual fee of £250,000. Mark Hodges has a direct interest in the Incentive Shares as disclosed in note 15 and received a signing on fee of £61,238 of which £47,000 was used to pay the subscription for his Incentive Shares.

Cathryn Riley was appointed as a Non-Executive Director and under the terms of her appointment letter, she is entitled to an annual fee of £70,000.

James Corsellis has a beneficial interest in the incentive shares issued by the Company's subsidiary during the period. Mark Brangstrup Watts had a beneficial interest in the incentive shares whilst he served as a director of the Company. This is disclosed in note 15. Neither Mark nor James received a director fee.

6. ADMINISTRATIVE EXPENSES

	For six months ended 31 December 2022 Unaudited £	For six months ended 31 December 2021 Unaudited £
Group expenses by nature		
Employment costs	154,595	-
Professional support	434,998	202,062
Non-recurring project, professional and due diligence costs	557,332	551,531
Share based payment expense	14,652	-
Audit Fees	9,750	22,500
Other expenses	5,700	9,653
	1,177,027	**785,746**

7. TAXATION

	For six months ended 31 December 2022 Unaudited £	For six months ended 31 December 2021 Unaudited £
Analysis of tax in period		
Current tax on profits for the period	-	-
Total current tax	-	-

Reconciliation of effective rate and tax charge:

	For six months ended 31 December 2022 Unaudited £	For six months ended 31 December 2021 Unaudited £
Loss on ordinary activities before tax	(1,213,621)	(658,746)
Expenses not deductible for tax purposes	146,856	122
Loss on ordinary activities subject to corporation tax	**(1,066,765)**	**658,624**
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2021: 19%)	(202,685)	(125,139)
Effects of:		
Losses carried forward for which no deferred tax recognised	202,685	125,139
Total taxation charge	-	-

The Group is tax resident in the UK. As at 31 December 2022, cumulative tax losses available to carry forward against future trading profits were £2,786,043 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 has issued warrants, which are each convertible into one ordinary share. The Group made a loss in the current period, which would result in the warrants being anti-dilutive. Therefore, the warrants have not been included in the calculation of diluted earnings per share.

The Company 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 listed and have 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 (warrant liability) and to note 15 (share-based payments) of these Consolidated Interim Financial Statements for instruments that could potentially dilute basic EPS in the future.

8. LOSS PER ORDINARY SHARE (CONTINUED)

	For six months ended 31 December 2022 Unaudited	For six months ended 31 December 2021 Unaudited
Loss attributable to owners of the parent (£'s)	(1,213,621)	(658,746)
Weighted average shares in issue	12,700,000	12,700,000
Basic and diluted loss per ordinary share (£'s)	(0.10)	(0.05)

9. INVESTMENTS

Principal subsidiary undertakings of the Group

The Company is the parent of the Group, the Group comprises of the Company and the following subsidiary as at 31 December 2022:

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

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. MAC II (BVI) Limited has a UK establishment (BR023602) at 11 Buckingham Street, London, WC2N 6DF.

10. OTHER RECEIVABLES

	As at 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
Amounts receivable in one year:		
Prepayments	45,379	17,634
Deferred costs	723,592	723,592
Due from a related party (note 17)	1	42,001
VAT receivable	117,308	22,133
	886,280	**805,360**

There is no material difference between the book value and the fair value of the receivables.

An amount of £723,592 (June 2022: £723,592) is included in deferred costs as it directly relates to the potential issuance of share capital and therefore, on completion of the Placing Programme, would be reflected in equity. Further details are set out in the critical accounting judgements in note 2 and under post balance sheet events in note 19. The Placing Programme lapses on 31 March 2023, and as such on this date the costs incurred which are currently included in current asset deferred costs will be taken to the profit and loss account and recorded under non-recurring project, professional and diligence costs.

Receivables are considered to be past due once they have passed their contracted due date. Other receivables are all current.

11. CASH AND CASH EQUIVALENTS

	As at 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
Cash and cash equivalents		
Cash at bank	9,091,686	10,254,198
	9,091,686	**10,254,198**

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 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
Amounts falling due within one year:		
Trade payables	75,346	74,740
Due to a related party (note 17)	58,670	109,735
Accruals	198,779	141,026
Other tax liabilities	9,924	26,841
A1 ordinary share liability	47,000	47,000
	389,719	**399,342**

There is no material difference between the book value and the fair value of the trade and other payables. All trade payables are non-interest bearing and are usually paid within 30 days.

13. WARRANT LIABLITY

	£'s
Fair value of warrants at 1 July 2021	1,778,000
Fair value movement of warrants:	
Warrant liability - ordinary warrants	(7,000)
Warrant liability - A warrants	(120,000)
Total fair value movement	(127,000)
Fair value of warrants at 31 December 2021	**1,651,000**
Fair value movement of warrants:	
Warrant liability - ordinary warrants	42,000
Warrant liability - A warrants	720,000
Total fair value movement	762,000
Fair value of warrants at 30 June 2022	**2,413,000**
Fair value movement of warrants:	
Warrant liability - ordinary warrants	7,000
Warrant liability - A warrants	120,000
Total Fair value movement	127,000
Fair value of warrants at 31 December 2022	**2,540,000**

13. WARRANT LIABLITY (CONTINUED)

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.

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. At 31 December 2022, the fair value was assessed as 20p per warrant, the result of which is a fair value loss of £127,000 (period ended 31 December 2021: gain £127,000)

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

	As at 31 December 2022 Unaudited	**As at 30 June 2022 Audited**
Combined price of a share and warrant	£1	£1
Exercise price	£1	£1
Expected volatility	30.0%	25.0%
Risk free rate	3.5%	2.17%
Expected dividends	0.0%	0.0%
Expected term	5th anniversary of the completion of a Business Acquisition	5th anniversary of the completion of a Business Acquisition

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

	As at 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
Authorised		
Unlimited ordinary shares of no par value	-	-
Unlimited A shares of no par value	-	-
100 sponsor shares of no par value	-	-
Issued		
700,000 ordinary shares of no par value	326,700	326,700
12,000,000 A shares of no par value	10,320,000	10,320,000
1 sponsor share of no par value	1	1
	10,646,701	**10,646,701**

The 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. SHARE BASED PAYMENTS

Management Long Term Incentive Arrangements

The Group has put in place a Long Term Incentive Plan ("**LTIP**"), to ensure an alignment with all Shareholders, and the high competition for 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.

On inception of the LTIP, Incentive Shares were issued by the Company's subsidiary to Marwyn Long Term Incentive LP ("**MLTI**"). On 17 June 2022, the Incentive Shares in the Company's subsidiary were redesignated into A1 ordinary shares ("**A1 Shares**") and A2 ordinary shares ("**A2 Shares**"). Effective 19 June 2022, the Incentive shares issued to MLTI were redesignated as A2 Shares and the Company's Chairman, Mark Hodges, was issued 2,000 A1 Shares.

Preferred Return

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

Incentive Value

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

Grant date

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

Service Conditions and Leaver Provisions

There are leaver provisions in relation to the A1 Shares which are set out in the subscription agreements entered into between the holders of the A1 Shares and MAC II (BVI) Limited. If the holder leaves in circumstances in which he or she is deemed to be a "**Good Leaver**" (being any reason other than a bad leaver circumstance), then the holder of the A1 Shares will be entitled to the vested portion of the A1 Shares and in respect of the remainder of the A1 Shares the holder will be required to enter into documentation under which, at the election of the Company or MAC II (BVI) Limited the remainder of the A1 Shares will be compulsorily redeemed or acquired at the lower of the (i) the subscription price or (ii) the market value for such A1 Shares or the A1 Shares may be converted into ordinary shares in the Company. Any holder deemed to be a "**Bad Leaver**" (such as termination of employment for gross misconduct, fraud or criminal acts) will be required to sell his A1 Shares back to MAC II (BVI) Limited for a total consideration of £0.01. As there are conditions whereby the unvested portion of the A1 Shares can be redeemed or acquired at the lower of the (i) the subscription price or (ii) the market value for such A1 Shares, the amounts received on the issue of A1 Shares is recognised as a liability in the Financial Statements.

15. SHARE BASED PAYMENTS (CONTINUED)

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 in the Company, 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 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 Business acquisition and earlier than the seventh anniversary of the Business 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 Business acquisition, the A Shares will be treated as having vested in full.

Holding of Incentive Shares

MLTI and Mark Hodges hold Incentive Shares entitling them 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.

15. SHARE BASED PAYMENTS (CONTINUED)

The following shares were in issue at 31 December 2022.

Issue date	Name	Share designation at balance sheet date	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
25 November 2020	MLTI	A2	£0.01	7.50	2,000	15,000	169,960
19 June 2022	Mark Hodges	A1	£0.01	23.50	2,000	47,000	166,275

Valuation of Incentive Shares

Valuations were performed by Deloitte LLP using a Monte Carlo model to ascertain the unrestricted market value and the fair value at grant date. Details of the valuation methodology and estimates and judgements used in determining the fair value are noted herewith and were in accordance with IFRS 2 at grant date. There are significant estimates and assumptions used in the valuation of the Incentive Shares. Management has considered at the grant date, the probability of a successful first Business 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 with the following inputs:

Issue date	Name	Share designation at balance sheet date	Volatility	Risk-free rate	Expected term (years)
25 November 2020	MLTI	A2	25%	0.0%	7.0
19 June 2022	Mark Hodges	A1	30%	2.2%	7.1

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. The model incorporates a range of probabilities for the likelihood of a Business Acquisition being made of a given size.

Expense related to Incentive Shares

An expense of £14,652 (2021: £Nil) has been recognised in the Statement of Comprehensive Income in respect of the Incentive Shares issued during the year. At 31 December 2022, the share based payment reserve was £185,781 (31 December 2021: £171,129). There is a service condition associated with the shares issued to Mark Hodges, which requires the fair value charge associated with his shares to be allocated over the minimum vesting period. This vesting period is estimated to be 4.0 years from the date of grant.

There are no service conditions attached to the MLTI shares and as result the fair value at grant date was expensed to the profit and loss account on issue.

16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

	As at 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
Financial assets measured at amortised cost		
Cash and cash equivalents	9,091,686	10,254,198
Due from related party (note 17)	1	42,001
	9,091,687	**10,296,199**
Financial liabilities measured at amortised cost		
Trade payables	75,346	74,740
Due to a related party (note 17)	58,670	109,735
Accruals	198,779	141,026
A1 ordinary share liability	47,000	47,000
	379,795	**372,501**
Financial liabilities measured at fair value to profit and loss		
Warrant Liability	2,540,000	2,413,000
	2,540,000	**2,413,000**

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

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. These are designed to reduce the financial risks faced by the Group which primarily relate to movements in interest rates. 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. RELATED PARTIES

Mark Brangstrup Watts and James Corsellis have served as directors of the Company during the period and Antoinette Vanderpuije is the Company Secretary of the Company. Funds managed by Marwyn Investment Management LLP ("**MIMLLP**"), of which James Corsellis is the managing 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 period end date as well as the Sponsor Share. The £1 due for the Sponsor Share remains unpaid at the period end (31 June 2022: unpaid). During the period MIMLLP recharged expenses of £nil (period ended 31 December 2021: £54,669), of which £nil (30 June 2022: £nil) was outstanding at the period end. Mark Brangstrup Watts was a director of the Company until 6 November 2022, up until this date Mark Brangstrup Watts was also a managing partner of MIMLLP.

17. RELATED PARTIES (CONTINUED)

James Corsellis and Antoinette Vanderpuije have an indirect beneficial interest in the A2 ordinary shares issued by MAC II (BVI) Limited to Marwyn Long Term Incentive LP which is disclosed in note 15. Mark Brangstrup Watts also had an indirect beneficial interest in the A2 ordinary shares until he stepped down as director on 6 November 2022.

Mark Hodges has a direct interest in the A1 ordinary shares issued by MAC II (BVI) Limited, as disclosed in note 15.

James Corsellis is also the managing partner of Marwyn Capital LLP, which provides corporate finance support, company secretarial, administration and accounting services to the Company. Antoinette Vanderpuije is a partner of Marwyn Capital LLP. On an ongoing basis a monthly fee of £50,000 per calendar month charged for the provision of the corporate finance services and managed services support is charged on a time spent basis. The total amount charged in the period ended 31 December 2022 by Marwyn Capital LLP for services was £346,012 (period ended 31 December 2021: £85,614) and they had incurred expenses on behalf of the Company of £76,401 (period ended 31 December 2021: £1,860) and of this £58,670 (30 June 2022: £109,735) was outstanding as at the period end.

The Company has recharged costs during the period associated with provision of project services of £10,750 (period ended 31 December 2021: £4,729) to Marwyn Acquisition Company III Limited ("**MAC III**"), of which £nil (30 June 2022: £42,000) was due to the Company at period end. MAC III is related to the Group through James Corsellis and Antoinette Vanderpuije being directors of MAC III.

18. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 December 2022 (31 December 2021: Nil) that require disclosure or adjustment in these financial statements.

19. POST BALANCE SHEET EVENTS

On 31 March 2023, the Placing Programme lapses and as such on this date £723,592 of costs incurred which are currently included in current asset deferred costs will be taken to the profit and loss account and recorded under non-recurring project, professional and diligence costs.

There are no other post balance sheet events that require adjustment or disclosure in these interim financial statements.

ADVISORS

Financial Adviser
Investec Bank Plc
30 Gresham St
London
EC2V 7QN
+44 (0)20 7597 4000
Financial Adviser

Financial Adviser
N.M. Rothschild & Sons Limited
New Court, St Swithin's Lane
London
EC4N 8AL
020 7280 5000

Company Secretary
Antoinette Vanderpuije
11 Buckingham Street
London
WC2N 6DF
Email: MAC2@marwyn.com

Registered Agent and Assistant Company Secretary
Conyers Corporate Services (BVI) Limited
Commerce House
Wickhams Cay 1
Road Town
VG1110
Tortola
British Virgin Islands

English legal advisers to the Company
Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

BVI legal advisers to the Company
Conyers Dill & Pearman
Commerce House
Wickhams Cay 1
Road Town
VG1110
Tortola
British Virgin Islands

Depository
Link Market Services Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Registrar
Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

Independent auditor
Baker Tilly Channel Islands Limited
First floor, Kensington Chambers
46-50 Kensington Place
St Helier
Jersey
JE4 0ZE
+44 (0) 1534 755150

Registered office
Commerce House
Wickhams Cay 1
Road Town
VG1110
Tortola
British Virgin Islands