



MARWYN ACQUISITION COMPANY II LIMITED

Unaudited Interim Condensed Consolidated
Financial Statements for the period from
incorporation on 31 July 2020 to 31 December
2020

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I present to shareholders the unaudited interim condensed consolidated financial statements of Marwyn Acquisition Company II Limited (the “**Company**”) for the period from incorporation on 31 July 2020 to 31 December 2020 (the “**Consolidated Interim Financial Statements**”), consolidating the results of Marwyn Acquisition Company II Limited and 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
- 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 focused buy and build strategy can unlock growth in their core markets and often into new territories and adjacent sectors.

Results

The Group's loss after taxation for the period to 31 December 2020 was £222,458. The Group held a cash balance at the period end of £505,659.

Dividend Policy

The Company has not yet acquired a trading operation 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 a platform acquisition and, in any event, will only commence the payment of dividends when it becomes commercially prudent to do so.

Corporate Governance

As a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Board is committed to maintaining high standards of corporate

governance and will consider whether to voluntarily adopt and comply with the UK Corporate Governance Code as part of any Acquisition, taking into account the Company's size and status at that time.

The Company currently complies with the following principles of the UK Corporate Governance Code:

- The Company is led by an effective and entrepreneurial Board, whose role is to promote the long term sustainable success of the Company, generating value for shareholders and contributing to wider society.
- The Board ensures that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.
- The Board ensures that the necessary resources are in place for the company to meet its objectives and measure performance against them.

Given the size and nature of the Company, the Board has not established any committees and intends 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 as appropriate.

Risks

The Directors have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity. There have been no changes to the principal risks described in the Company's Prospectus published on 4 December 2020. The Directors are of the opinion that the risks are applicable to the period ended 31 December 2020 as well as the remaining six months of the financial year. Details of the risks faced by the Group are set out on pages 11-21 of the Prospectus which can be found on the Company's website www.marwynac2.com.

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 active in pursuing and evaluating opportunities with advisers, potential management partners, and acquisition targets and are confident about acquiring an attractive platform business for our shareholders.

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.

James Corsellis

Chairman

30 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Period ended 31 December 2020 Unaudited £
Administrative expenses	6	(222,458)
Total operating loss		(222,458)
Income tax	7	-
Loss for the period		(222,458)
Total comprehensive loss for the period attributable to owners of the parent		(222,458)
Loss per ordinary share (£)		
Basic	8	(0.32)
Diluted	8	(0.16)

The Group's activities derive from continuing operations.

The Notes on pages 9 to 20 form an integral part of these Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2020
	Note	Unaudited £
Assets		
Current assets		
Trade and other receivables	10	20,192
Cash and cash equivalents	11	505,659
Total current assets		525,851
Total assets		525,851
Equity and liabilities		
Equity		
Sponsor share	13	1
Ordinary shares	13	326,700
Warrant reserve	13	98,000
Share-based payment reserve	14	169,960
Accumulated losses		(222,458)
Total equity		372,203
Current liabilities		
Trade and other payables	12	153,648
Total liabilities		153,648
Total equity and liabilities		525,851

The Notes on pages 9 to 20 form an integral part of these Consolidated Interim Financial Statements.

The financial statements were approved by the Board of Directors on 30 March 2021 and were signed on its behalf by:

James Corsellis
Chairman

Mark Brangstrup Watts
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Ordinary shares	Sponsor share	Warrant reserve	Share based payment reserve	Accumulated losses	Total equity
		£	£	£	£	£	£
Balance as at 31 July 2020		-	-	-	-	-	-
Issuance of 1 ordinary share	13	1	-	-	-	-	1
Redesignation of 1 ordinary share	13	(1)	1	-	-	-	-
Issuance of 700,000 ordinary shares and matching warrants	13	602,000	-	98,000	-	-	700,000
Share issue costs	13	(275,300)	-	-	-	-	(275,300)
Loss and total comprehensive loss for the period		-	-	-	-	(222,458)	(222,458)
Share-based payment expense	14	-	-	-	169,960	-	169,960
Balance as at 31 December 2020		326,700	1	98,000	169,960	(222,458)	372,203

The Notes on pages 9 to 20 form an integral part of these Consolidated Interim Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

		For the period ended 31 December 2020
	Note	Unaudited £
Operating activities		
Loss for the period		(222,458)
Adjustments to reconcile total operating loss to net cash flows:		
Add back share based payment expense		154,960
Working capital adjustments:		
Increase in trade and other receivables and prepayments		(20,192)
Increase in trade and other payables		153,648
Net cash flows used in operating activities		65,958
Financing activities		
Proceeds from issue of ordinary share capital and matching warrants	13	700,001
Proceeds from issue of A share capital in MAC II (BVI) Limited		15,000
Cost of share issuance	13	(275,300)
Net cash flows from financing activities		439,701
Net increase in cash and cash equivalents		505,659
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	11	505,659

The Notes on pages 9 to 20 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 the IAS 34 *Interim Financial Reporting* and are presented on a condensed basis.

The interim report does not include all of the notes of the type normally included in an annual financial report. There have been no annual financial statements prepared to date as this is the first interim period, however this report should be read in conjunction with any public announcements made by the Company during the interim period.

The Company was incorporated on 31 July 2020, and therefore these Consolidated Interim Financial Statements are the first set of financial statements issued by the Company and as such no comparatives are available.

The principal accounting policies adopted in the preparation of the Consolidated Interim Financial Statements are set out below. The policies have been consistently applied throughout the period presented, unless otherwise stated.

(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 12 months from the date of approval.

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

Standards, amendments and interpretation effective and adopted by the Group

IFRSs applicable to the Consolidated Interim Financial Statements of the Group for the period from 31 July 2020 to 31 December 2020 have been applied.

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.

Standard	Effective date
Amendments to IFRS 3 Business Combinations: References to the Conceptual Framework in IFRS Standards	1 January 2022*
Amendments to IAS 16 Property, Plant and Equipment	1 January 2022*
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts – cost of fulfilling a contract	1 January 2022*
Amendments to Annual Improvements 2018-2020	1 January 2022*
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2022*
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 historical financial information.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances at banks.

(f) Stated capital

Ordinary shares and sponsor shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in the associated stated capital as a deduction from the proceeds.

(g) 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 Company 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. 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, the services are deemed to have been received in full, with a corresponding expense and increase in equity recognised at grant date.

(h) 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. Warrants are accounted for as equity instruments under IAS 32 and are measured at fair value at the date of issue. 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.

(i) 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 year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous years.

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.

(j) Earnings per ordinary share

Earnings per ordinary share (“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 earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

(k) 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.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss (“FVPL”), amortised cost, or fair value through other comprehensive income (“FVOCI”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest’ on the principal amount outstanding (the “SPPI Criterion”).

Financial assets are initially measured at their fair value plus, for those financial assets not at fair value through profit or loss, transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all of the Group's financial assets are classified as financial assets at amortised cost. Financial assets at amortised cost comprise of assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI Criterion. This category includes the Group's other receivables. This asset is subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group has not classified any assets as being financial assets at FVOCI or FVPL.

Derecognition

A financial asset is primarily derecognised and removed from the consolidated statement of financial position when the rights to receive cash flows from the asset have expired.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Group does not have any financial liabilities at the balance sheet date.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost and in the case of interest-bearing financial liabilities at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Consolidated Interim 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.

There are significant estimates and assumptions used in the valuation of the A ordinary Shares in MAC II (BVI) Limited 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 and related share-based payment expense was calculated using a Monte Carlo valuation model. A summary of the terms is set out in note 14.

As part of the Company's initial fundraising on IPO, the Company issued ordinary shares to a number of investors. For every ordinary share subscribed for, each investor was also granted a warrant ("Warrant") to acquire a further ordinary share at an exercise price of £1.00 per share. The Warrants are exercisable at any time until five

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

years after the IPO date, being 4 December 2020. 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.

For the period to 31 December 2020, the Directors do not consider that they have made any other significant estimates, judgments or assumptions which would materially affect the balances and results reported in these financial statements.

4. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. As the Group has not yet commenced trading, 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 31 December 2020, the Company had two directors: James Corsellis and Mark Brangstrup Watts, neither director received remuneration under the terms of their director service agreements.

6. ADMINISTRATIVE EXPENSES BY NATURE

	For the period ended 31 December 2020 £
Group administrative expenses by nature	
Professional fees	22,467
Non-recurring project costs	43,686
Listing fees	793
Share based payment expense	154,960
Branding and website cost	527
Bank charges	25
	222,458

7. TAXATION

	For the period ended 31 December 2020 £
Analysis of tax in period	
Current tax on profits for the period	-
Total current tax	-

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

Reconciliation of effective rate and tax charge:

	For the period ended 31 December 2020 £
Loss on ordinary activities before tax	(222,458)
Expenses not deductible for tax purposes	24,861
Loss on ordinary activities subject to corporation tax	(197,597)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19%	(37,543)
Effects of:	
Losses carried forward for which no deferred tax recognised	37,543
Total taxation charge	-

As at 31 December 2020, cumulative tax losses available to carry forward against future trading profits were £37,543 subject to agreement with HM Revenue & Customs. Prior to an acquisition, there is no certainty as to future profits and no deferred tax asset is recognised in relation to these carried forward losses.

8. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the profit attributable to equity holders of a company by the weighted average number of ordinary shares in issue during the year. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has issued 700,000 warrants, each of which is convertible into one ordinary share as such the weighted average number of shares has been adjusted in calculating diluted EPS.

	For six months ended 31 December 2018
Loss attributable to owners of the parent	(222,458)
Weighted average number of ordinary shares in issue	700,000
Weighted average number of ordinary shares for diluted EPS	1,400,000

9. INVESTMENTS

Principal subsidiary undertakings of the Group

The Company owns directly the whole of the issued ordinary share capital of its subsidiary undertaking. Details of the Company's subsidiary are presented below:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The registered office of MAC II (BVI) Limited Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110.

10. TRADE AND OTHER RECEIVABLES

	As at 31 December 2020
	£
Amounts receivable in one year:	
Prepayments	5,180
Other receivables	15,001
VAT receivable	11
	<u>20,192</u>

Other receivables are all current.

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.

11. CASH AND CASH EQUIVALENTS

	As at 31 December 2020
	£
Cash and cash equivalents	
Cash at bank	505,659
	<u>505,659</u>

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum short-term credit rating of P-1, as issued by Moody's, are accepted.

12. TRADE AND OTHER PAYABLES

	As at 31 December 2020
	£
Amounts falling due within one year:	
Trade payables	10,068
Accruals	143,580
	<u>153,648</u>

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

13. EQUITY AND RESERVES

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

1 sponsor share of no par value

Stated capital As at 31 December 2020

£

326,700

1

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 of 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. Warrants are accounted for as equity instruments under IAS 32 and are measured at fair value at grant date, the combined market value of one ordinary 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 of the Warrants, which considered the exercise price, expected volatility, risk free rate, expected dividends and expected term. Warrants have been assigned a fair value of 14p per Warrant and therefore each ordinary share has been valued at 86p per share.

Costs of £275,300 directly attributable to the equity raise have been taken against stated capital during the period.

Holders of ordinary shares are entitled to receive notice and attend and vote at any meeting of members, the right to 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.

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.

14. SHARE BASED PAYMENTS

The Company 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. As at the balance sheet date, an executive management team is not yet in place at the Company and as such MLTI is the only participant of 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% 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 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 deemed to 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 currently expected that in the ordinary course Incentive Shares will be exchanged for Ordinary Shares. However, the Company retains the right 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, which right begins on the third anniversary and ends on the seventh anniversary of the date of the Company's initial acquisition.

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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% 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 paid by MLTI for 2,000 A ordinary shares of £15,000.

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

	As at 31 December 2020
	£
Financial assets measured at amortised cost	
Cash and cash equivalents	505,659
Other receivables	15,001
	520,660
 Financial liabilities measured at amortised cost	
Trade and other payables	153,648
	153,648

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.

16. 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 Asset Management Limited, of which James Corsellis, Mark Brangstrup Watts and Antoinette Vanderpuije are all non-executive directors and of which Mark Brangstrup Watts and James Corsellis are the ultimate beneficial owners, hold 75% of the Company's issued ordinary shares and Warrants at the statement of financial position date.

James Corsellis, Mark Brangstrup Watts and Antoinette Vanderpuije have a beneficial interest in the Incentive Shares as described in note 14 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, company secretarial, administration and accounting services to the Company. As part of this engagement a fee of £150,000 was charged in relation to the listing of the Company. On an ongoing basis a monthly fee of £10,000 per calendar month is charged for the provision of the corporate finance services and as at the statement of financial position date £10,000 is payable by the Company to Marwyn Capital LLP.

James Corsellis and Mark Brangstrup Watts are the managing partners of Marwyn Investment Management LLP, and Antoinette Vanderpuije is also a partner. Marwyn Investment Management LLP incurred costs on behalf of the Group which they recharged. During the period Marwyn Investment Management LLP charged £11,805 in respect of recharged costs of which £67.97 was outstanding at the period end.

17. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 December 2020 that requires disclosure or adjustment in these financial statements.

18. 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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Depository

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Beckenham
Kent, BR3 4TU

Auditor

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Company Secretary

Antoinette Vanderpuije
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Registered Agent and Assistant Company Secretary

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Road Town, VG1110
Tortola, British Virgin Islands

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Solicitors to the Company (as to BVI Law)

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Corporate Finance Adviser

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