

MARWYN
Acquisition Company II

MARWYN ACQUISITION COMPANY II LIMITED

Unaudited Interim
Condensed Consolidated Financial Statements for the
six months ended 31 December 2021

MARWYN
Acquisition Company II
CONTENTS

| | |
|---|-----------|
| Management Report | 2 |
| Responsibility Statement | 4 |
| Condensed Consolidated Statement of Comprehensive Income | 5 |
| Condensed Consolidated Statement of Financial Position | 6 |
| Condensed Consolidated Statement of Changes in Equity | 7 |
| Condensed Consolidated Statement of Cash Flows | 8 |
| Notes to the Condensed Consolidated Interim Financial Statements | 9 |
| Advisers | 19 |

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 2021 (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 listed on the Standard Segment of the Official List of the Financial Conduct Authority and its ordinary shares are admitted to trading on the Main Market of the London Stock Exchange. The Company is an acquisition company incorporated 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 (a “**Business Acquisition**”). While the Company will consider a broad range of sectors, those currently believed to provide the greatest opportunity and on which the Company will initially be focussed include Automotive & Transport, Business-to-Business Services, Clean Technology, Consumer & Luxury Goods, Financial Services, Banking & Fintech, Insurance, Reinsurance & InsurTech & Other Vertical Marketplaces, Healthcare & Diagnostics and Media & Technology. The Company's strategy is included in full on the Company's website at <https://www.marwynac2.com/about-us/investment-focus/default.aspx>.

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 businesses or companies.

The Company will seek to capitalise on the combined investment experience of its founders (James Corsellis and Mark Brangstrup Watts), further supported by the capabilities of the Marwyn group. The Company believes that such directors' experience founding and managing businesses over a 19 year track record of working together and executing an investment strategy comparable to that of the Company will be of significant value in helping to achieve the Company's objectives of sourcing and executing a successful acquisition and delivering sustainable long term equity returns to shareholders.

Activity

During the period the Directors have continued to progress discussions with advisers regarding the most efficient capital structure for the Company to execute its strategy, including a potential further equity raise which was first announced by the Company as being under consideration in April 2021. Over time, and in response to market conditions and conversations with potential investors, both the nature and the structure of the equity raise has evolved. Having considered the different opportunities available to the Company to raise capital, on 29 March 2022, the Company announced its intention to publish a prospectus in relation to a placing programme (the “**Placing Programme**”) of up to 500 million C Shares at an issue price of £1.00 each (the “**Placing Programme Prospectus**”) which will enable the Company to raise redeemable capital at any time over the following 12 months. The Placing Programme Prospectus and supporting documentation will, when published, be available on the Company's website www.marwynac2.com/investors/prospectus.

The Directors believe that the addition of the ability, where appropriate, to issue C ordinary redeemable shares under the Placing Programme, alongside the existing flexibility of the MAC Model to utilise the issuance of either listed Ordinary shares or unlisted B shares, provides the Company with a competitive advantage in securing attractive acquisition opportunities and bringing the best executive management back to the UK public markets.

As a result of the change in nature and structure of the equity raise from that which was initially explored and announced as being under consideration in April 2021, a portion of the costs incurred in the period to 30 June 2021 are no longer considered directly attributable to the Placing Programme and accordingly costs previously recorded as prepayments pending their allocation against equity on completion of the capital raise will be taken

to profit and loss in accordance with the Group's critical accounting judgements disclosed in note 3 to the financial statements. As a result, costs of £459,004, which were recorded in prepayments as at 30 June 2021, have been recorded as an expense in the six month period to 31 December 2021.

Results

The Group's loss after taxation for the period to 31 December 2021 was £658,746 (period to 31 December 2020: loss of £222,458). The Group held a cash balance at the period end of £11,717,698 (as at 30 June 2021: £12,255,387).

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 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. A complete review of the Group's risks have been undertaken in connection with the Placing Programme. Such risks will be set out in the Placing Programme Prospectus which will, when published, be available on the Company's website www.marwynac2.com/investors/prospectus. The Directors are of the opinion that the risks detailed in the Placing Programme Prospectus are applicable for the remaining six months of the current financial year.

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.

MARWYN
Acquisition Company II
REPONSIBILITY STATEMENT

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

31 March 2022

MARWYN
Acquisition Company II

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Six months ended 31 December 2021 Unaudited £ | Period ended 31 December 2020 Unaudited £ |
|--|------|---|---|
| Administrative expenses | 6 | (785,746) | (222,458) |
| Total operating loss | | (785,746) | (222,458) |
| Other income | 7 | 127,000 | - |
| Loss for the period before tax | | (658,746) | (222,458) |
| Income tax | 8 | - | - |
| Loss for the period | | (658,746) | (222,458) |
| Total other comprehensive income | | - | - |
| Total comprehensive loss for the period | | (658,746) | (222,458) |
| Loss per ordinary share | | | |
| Basic and diluted | 9 | (0.05) | (0.32) |

The Group's activities derive from continuing operations.

The Notes on pages 9 to 18 form an integral part of these Consolidated Interim Financial Statements.

MARWYN
Acquisition Company II

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | As at 31 December 2021 Unaudited £ | As at 30 June 2021 Audited £ |
|-------------------------------------|------|--|--|
| Assets | | | |
| Current assets | | | |
| Other receivables | 11 | 245,935 | 651,708 |
| Cash and cash equivalents | 12 | 11,717,698 | 12,255,387 |
| Total current assets | | 11,963,633 | 12,907,095 |
| Total assets | | 11,963,633 | 12,907,095 |
| Equity and liabilities | | | |
| Equity | | | |
| Ordinary Shares | 15 | 326,700 | 326,700 |
| A Shares | 15 | 10,320,000 | 10,320,000 |
| Sponsor share | 15 | 1 | 1 |
| Share-based payment reserve | | 169,960 | 169,960 |
| Accumulated losses | | (1,294,842) | (636,096) |
| Total equity | | 9,521,819 | 10,180,565 |
| Current liabilities | | | |
| Trade and other payables | 13 | 790,814 | 948,530 |
| Warrants | 14 | 1,651,000 | 1,778,000 |
| Total liabilities | | 2,441,814 | 2,726,530 |
| Total equity and liabilities | | 11,963,633 | 12,907,095 |

The Notes on pages 9 to 18 form an integral part of these Consolidated Interim Financial Statements.

The financial statements were approved by the Board of Directors on 31 March 2022 and were signed on its behalf by:

Mark Brangstrup Watts
Director

MARWYN

Acquisition Company II

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 2021 | | 326,700 | 10,320,000 | 1 | 169,960 | (636,096) | 10,180,565 |
| Loss and total comprehensive loss for the period | | - | - | - | - | (658,746) | (658,746) |
| Balance as at 31 December 2021 | | <u>326,700</u> | <u>10,320,000</u> | <u>1</u> | <u>169,960</u> | <u>(1,294,842)</u> | <u>9,521,819</u> |

| | Notes | Ordinary shares | A Shares | Sponsor share | Share based payment reserve | Accumulated losses | Total equity |
|--|-------|-----------------|----------|---------------|-----------------------------|--------------------|----------------|
| | | £ | £ | £ | £ | £ | £ |
| Balance at 31 July 2020 | | - | - | - | - | - | - |
| Issuance of 1 ordinary share | 15 | 1 | - | - | - | - | 1 |
| Redesignation of 1 ordinary share | 15 | (1) | - | 1 | - | - | - |
| Issuance of 700,000 ordinary shares ¹ | 15 | 602,000 | - | - | - | - | 602,000 |
| Share issue costs | 15 | (275,300) | - | - | - | - | (275,300) |
| Loss and total comprehensive loss for the period | | - | - | - | - | (222,458) | (222,458) |
| Share-based payment charge | | - | - | - | 169,960 | - | 169,960 |
| Balance as at 31 December 2020 | | <u>326,700</u> | <u>-</u> | <u>1</u> | <u>169,960</u> | <u>(222,458)</u> | <u>274,203</u> |

The Notes on pages 9 to 18 form an integral part of these Consolidated Interim Financial Statements.

¹The amounts raised from issuance of ordinary shares and matching 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 14.

MARWYN
Acquisition Company II

CONSOLIDATED STATEMENT OF CASH FLOWS

| | Six months ended 31 December 2021 | Period ended 31 December 2020 |
|---|---|-------------------------------------|
| Note | Unaudited | Unaudited |
| | £ | £ |
| Operating activities | | |
| Loss for the period | (658,746) | (222,458) |
| Adjustments to reconcile total operating loss to net cash flows: | | |
| Deduct fair value gain on warrant liability | 14 (127,000) | - |
| Add back share based payment expense | - | 154,960 |
| Working capital adjustments: | | |
| Decrease / (increase) in trade and other receivables and prepayments | 405,773 | (20,192) |
| (Decrease) / increase in trade and other payables | (157,716) | 153,648 |
| Net cash flows used in operating activities | (537,689) | 65,958 |
| Financing activities | | |
| Proceeds from issue of ordinary share capital and matching warrants | 15 - | 700,001 |
| Proceeds from issue of A share capital in MAC II (BVI) Limited | - | 15,000 |
| Cost of share issuance | 15 - | (275,300) |
| Net cash flows from financing activities | - | 439,701 |
| Net (decrease)/increase in cash and cash equivalents | (537,689) | 505,659 |
| Cash and cash equivalents at the beginning of the period | 12,255,387 | - |
| Cash and cash equivalents at the end of the period | 11,717,698 | 505,659 |

The Notes on pages 9 to 18 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 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 2021, which is available on the Company’s website, www.marwynac2.com.

(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

Standards, amendments and interpretation effective and adopted by the Group

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 period ended 30 June 2021, which were prepared in accordance with the 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 January 2020. None of the new 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.

| 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 |

| 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 IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a similar transaction | 1 January 2023 |

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.

Critical accounting judgements

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

The Directors have continued to progress a further equity raise which was first announced by the Company in April 2021. As at 30 June 2021, £713,160 was accrued in relation to the potential equity raise, of which £592,827 was included in current asset prepayments. As set out in the Management Report, since 30 June 2021, both the nature and the structure of the fundraising has evolved, and as a result the Directors have considered each of the costs associated with this project 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.

As at 31 December 2021, £459,004 previously recorded in current asset prepayments has been taken to the profit and loss account. As at the period end, £186,594 has been included in current asset prepayments (refer to note 11) as these costs are directly attributable to a future issuance of shares under the Placing Programme, which the Directors intend to conclude within the next 12 months. Following an equity raise, these costs will be reclassified from prepayments to equity. However, there is no certainty that this capital raise will take place. If the capital raise does not take place, these costs will be expensed to profit and loss.

Key sources of estimation uncertainty

Valuation of warrants

The Company has issued matching warrants on both the issue 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. Please refer to note 19 which details a change to the exercise period effective on the issuance of the Placing Programme Prospectus. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The Group does not have any employees. During the six months ended 31 December 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 Directors are indirectly beneficially interested in Incentive Shares held by the Company's subsidiary which were issued in the period ended 30 June 2021.

6. ADMINISTRATIVE EXPENSES

| | For six months ended 31 December 2021 Unaudited £ | For the period ended 31 December 2020 Unaudited £ |
|---|---|---|
| Group expenses by nature | | |
| Professional support | 202,062 | 18,467 |
| Non-recurring project, professional and due diligence costs | 551,531 | 43,686 |
| Share based payment expense | - | 154,960 |
| Audit Fees | 22,500 | 4,000 |
| Other expenses | 9,653 | 1,345 |
| | <u>785,746</u> | <u>222,458</u> |

7. OTHER INCOME

| | For six months ended 31 December 2021 Unaudited £ | For the period ended 31 December 2020 Unaudited £ |
|--------------------------------------|---|---|
| Fair value gain on warrant liability | 127,000 | - |
| | <u>127,000</u> | <u>-</u> |

The fair value gain arising on the warrant liability is discussed further in note 14.

8. TAXATION

| | For six months ended 31 December 2021 Unaudited £ | For the period ended 31 December 2020 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 2021 Unaudited £ | For the period ended 31 December 2020 Unaudited £ |
|--|---|---|
| Loss on ordinary activities before tax | (658,746) | (222,458) |
| Expenses not deductible for tax purposes | 122 | 24,861 |
| Loss on ordinary activities subject to corporation tax | 658,624 | (197,597) |
| Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2020: 19%) | (125,139) | (37,543) |
| Effects of: | | |
| Losses carried forward for which no deferred tax recognised | 125,139 | 37,543 |
| Total taxation charge | - | - |

The Group is tax resident in the UK. As at 31 December 2021, cumulative tax losses available to carry forward against future trading profits were £1,136,967 (As at 31 December 2020: £37,543) 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.

9. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Refer to note 14 (warrants) of these Consolidated Interim Financial Statements and refer to note 17 (share-based payments) of the Group's Annual Report and Consolidated Financial Statements for the period ended 30 June 2021 for instruments that could potentially dilute basic EPS in the future.

| | For six months ended 31 December 2021 Unaudited | For the period ended 31 December 2020 Unaudited |
|---|--|--|
| Loss attributable to owners of the parent (£'s) | (658,746) | (222,458) |
| Weighted average in issue | 12,700,000 | 700,000 |
| Basic and diluted loss per ordinary share (£'s) | (0.05) | (0.32) |

10. 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 2021:

| 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.

11. OTHER RECEIVABLES

| | As at 31 December 2021 Unaudited £ | As at 30 June 2021 Audited £ |
|--|---|---------------------------------------|
| Amounts receivable in one year: | | |
| Prepayments | 202,552 | 597,485 |
| Due from a related party | 1 | 23,964 |
| VAT receivable | 43,382 | 30,259 |
| | 245,935 | 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 £186,594 (as at period ended 30 June 2021: £592,827) incurred in connection with initial capital raise and Placing Programme that will be deducted from equity on completion. This is discussed in further detail in note 13 and outlined in the critical accounting judgements in note 3.

12. CASH AND CASH EQUIVALENTS

| | As at 31 December 2021 Unaudited £ | As at 30 June 2021 Audited £ |
|----------------------------------|---|---------------------------------------|
| Cash and cash equivalents | | |
| Cash at bank | 11,717,698 | 12,255,387 |
| | 11,717,698 | 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.

13. TRADE AND OTHER PAYABLES

| | As at 31 December 2021 Unaudited £ | As at 30 June 2021 Audited £ |
|---|---|---------------------------------------|
| Amounts falling due within one year: | | |
| Trade payables | 8,145 | 88,870 |
| Due to a related party | 59,127 | 41,355 |
| Accruals | 723,542 | 818,305 |
| | 790,814 | 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. An amount of, £186,594 (as at period ended 30 June 2021: £592,827) is included in prepayments as detailed in note 11 as it directly relates to the potential issuance of share capital and therefore, on completion of the Placing Programme, would be reflected in equity. An amount of £551,531 (as at period ended 30 June 2021: £120,333) has been taken to the profit and loss account and is included within non-recurring project, professional and diligence costs. Accruals in respect of these costs as at the period end totalled £692,792 (as at period ended 30 June 2021: £713,160) and are non-interest bearing and are expected to be settled within 12 months and have been classified as current. Further detail is included in the critical accounting judgements note 3.

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

14. WARRANT LIABILITY

| | As at 31 December 2021 Unaudited £ | As at 30 June 2021 Audited £ |
|---|---|---|
| Amounts falling due within one year: | | |
| Warrant liability - ordinary shares | 91,000 | 98,000 |
| Warrant liability – A shares | 1,560,000 | 1,680,000 |
| | 1,651,000 | 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.

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. On initial recognition, Warrants had a fair value of 14p per Warrant. This remained unchanged until 31 December 2021 (the balance sheet date) where the fair value reduced to 13p per warrant.

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

| | As at 31 December 2021 Unaudited | As at 30 June 2021 Audited |
|---------------------------------------|--|--|
| Combined price of a share and warrant | £1 | £1 |
| Exercise price | £1 | £1 |
| Expected volatility | 25.0% | 25.0% |
| Risk free rate | 0.75% | 0.32% |
| Expected dividends | 0.0% | 0.0% |
| Expected term | 5 years from the IPO and 3.9 years from the period end date | 5 years from the IPO and 4.4 years from the period end date |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A 5-percentage point in the expected volatility rate would not have a material impact on the fair value of the Warrants.

15. SHARE CAPITAL

| | As at 31 December 2021 Unaudited £ | As at 30 June 2021 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 |

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**"). 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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.

16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

| | As at 31 December 2021 Unaudited £ | As at 30 June 2021 Audited £ |
|--|--|--|
| Financial assets measured at amortised cost | | |
| Cash and cash equivalents | 11,717,698 | 12,255,387 |
| Other receivables | 1 | 23,964 |
| | 11,717,699 | 12,279,351 |
| Financial liabilities measured at amortised cost | | |
| Trade and other payables | 790,814 | 948,530 |
| | 790,814 | 948,530 |
| Financial liabilities measured at fair value to profit and loss | | |
| Warrant Liability | 1,651,000 | 1,778,000 |
| | 1,651,000 | 1,778,000 |

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

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 period end date. During the period MIM recharged expenses of £54,669 (2020: 11,805), of which £48,000 (30 June 2021: £nil) was outstanding at the period end.

James Corsellis, Mark Brangstrup Watts and Antoinette Vanderpuije have a beneficial interest in the Incentive Shares through their indirect interest in Marwyn Long Term Incentive LP which owns 2,000 A ordinary shares in the capital of MAC II (BVI) Limited, details in respect of the incentive shares are included in the financial statements to 30 June 2021.

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 in 2020. 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 31 December 2021 by Marwyn Capital LLP for services was £85,614 (2020: £160,000) and they had incurred expenses on behalf of the Company of £1,860 (2020: £Nil). £11,127 (30 June 2021: £41,355) was outstanding as at the period end.

The Company has recharged costs during the period associated with provision of project services of £4,729 (2020: £Nil) to Marwyn Acquisition Company III Limited ("MAC III"), of which £Nil (30 June 2021: £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.

18. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 December 2021 that requires disclosure or adjustment in these financial statements.

19. POST BALANCE SHEET EVENTS

On 29 the Company announced of its intention to publish the Placing Programme Prospectus. The Placing Programme Prospectus and supporting documents will, when published, be available on the Company's website www.marwynac2.com/investors/prospectus.

In conjunction with the release of the Placing Programme Prospectus, the exercise periods relating to the Ordinary Warrants and A Warrants have been amended to expire on a date 5 years from the completion of the first Business Acquisition. This change in exercise period will be taken into consideration in the year end valuation of the warrants completed as at 30 June 2022.

MARWYN
Acquisition Company II
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

Company Broker

WH Ireland Limited
24 Martin Lane
London
EC4R 0DR
+44 (0)20 7220 1666

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

Mazars LLP
Tower Bridge House
St. Katharine's Way
London
E1W 1DD

Registered office

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