



MARWYN ACQUISITION COMPANY II LIMITED

Unaudited Interim
Condensed Consolidated Financial Statements for the
six months ended 31 December 2023

MARWYN
Acquisition Company II
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We present to shareholders the unaudited condensed consolidated financial statements of Marwyn Acquisition Company II Limited (the “**Company**”) for the six months to 31 December 2023 (the “**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 listed on the standard segment of the London Stock Exchange. The Company’s investment strategy is to seek acquisition opportunities in the financial services, consumer and technology sectors.

Strategy Execution

The Company intends to execute its strategy through a combination of selective Merger and Acquisition (“**M&A**”) of platform and bolt-on businesses, potential strategic partnerships with established financial services operators as well as ongoing operational improvements. 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

The Company has continued through the period to both identify and progress potential acquisition opportunities across a range of sectors. The Company has evaluated a number of target businesses during the period remaining focussed on pursuing a platform acquisition from which the Company can further develop and grow through the execution of its long-term business strategy. The flexible structure of the Company remains attractive in unlocking proprietary deal flow and to support the execution of a buy and build strategy utilising the benefits of the Company’s listed status and the potential for significant shareholder value creation.

Results

The Group’s loss after taxation for the period to 31 December 2023 was £767,293 (31 December 2022: £1,213,621). The Group held a cash balance at the period end of £6,762,967 (as at 30 June 2023: £7,783,448).

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.

Directors

The Directors of the Company have served as directors during the period and until the date of this report as set out below:

Mark Hodges (Chairman);
Will Self (Chief Executive Officer);
James Corsellis (Non-Executive Director); and
Cathryn Riley (Non-Executive Director)

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 of directors, 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; and
- 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 adopt the UK Corporate Governance Code.

Risks

The Company's Audited Annual Report and Consolidated Financial Statements for the year ended 30 June 2023, 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 Consolidated Financial Statements and that these remain applicable for the remaining six months of the year.

Outlook

The Directors are excited about the nature and quality of potential acquisition opportunities for the Company and the wider scale of the opportunity and unmet need in the customer, product and addressable markets identified. The Directors believe that the successful execution of the strategy, including platform and follow-on M&A, performance improvements and sustainable growth, has the potential to generate significant long term returns for shareholders.

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RESPONSIBILITY STATEMENT

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

(a) these 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 the Company ; and

(b) these 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

7 March 2024

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 31 December 2023 Unaudited £'s	Six months ended 31 December 2022 Unaudited £'s
Administrative expenses	6	(1,082,083)	(1,177,027)
Total operating loss		(1,082,083)	(1,177,027)
Finance income		187,790	90,406
Movement in fair value of warrants	13	127,000	(127,000)
Loss for the period before tax		(767,293)	(1,213,621)
Income tax	7	-	-
Loss for the period		(767,293)	(1,213,621)
Total other comprehensive income		-	-
Total comprehensive loss for the period		(767,293)	(1,213,621)
Loss per ordinary share			
Basic and diluted (pence)	8	(0.0604)	(0.0956)

The Group's activities derive from continuing operations.

The Notes on pages 9 to 22 form an integral part of these Interim Financial Statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2023 Unaudited £'s	As at 30 June 2023 Audited £'s
Assets			
Current assets			
Other receivables	10	52,392	235,620
Cash and cash equivalents	11	6,762,967	7,783,448
Total current assets		6,815,359	8,019,068
Total assets		6,815,359	8,019,068
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, 17	223,396	201,641
Accumulated losses	15	(6,865,806)	(6,098,513)
Total equity		4,004,291	4,749,829
Current liabilities			
Trade and other payables	12	271,068	602,239
Warrants	13	2,540,000	2,667,000
Total liabilities		2,811,068	3,269,239
Total equity and liabilities		6,815,359	8,019,068

The Notes on pages 9 to 22 form an integral part of these Interim Financial Statements.

The Interim Financial Statements were approved by the Board of Directors on 7 March 2024 and were signed on its behalf by:

Mark Hodges
Chairman

James Corsellis
Director

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary shares	A Shares	Sponsor Share	Share based payment reserve	Accumulated losses	Total equity
Note	£'s	£'s	£'s	£'s	£'s	£'s
Balance 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 charge	-	-	-	14,652	-	14,652
Balance as at 31 December 2022	326,700	10,320,000	1	185,781	(3,784,235)	7,048,247
	Ordinary shares	A Shares	Sponsor Share	Share based payment reserve	Accumulated losses	Total equity
Notes	£'s	£'s	£'s	£'s	£'s	£'s
Balance as at 1 July 2023	326,700	10,320,000	1	201,641	(6,098,513)	4,749,829
Total comprehensive loss for the period	-	-	-	-	(767,293)	(767,293)
Share-based payment charge	-	-	-	21,755	-	21,755
Balance as at 31 December 2023	326,700	10,320,000	1	223,396	(6,865,806)	4,004,291

The Notes on pages 9 to 22 form an integral part of these Interim Financial Statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 31 December 2023	Six months ended 31 December 2022
	Note	Unaudited £'s	Unaudited £'s
Operating activities			
Loss for the period		(767,293)	(1,213,621)
Adjustments to reconcile total operating loss to net cash flows:			
Finance income		(187,790)	(90,406)
Fair Value (gain) / loss on warrant liability	13	(127,000)	127,000
Share based payment expense	17	21,755	14,652
Working capital adjustments:			
Decrease / (increase) in trade and other receivables and prepayments	10	183,228	(80,920)
Decrease in trade and other payables	12	(331,171)	(9,623)
Net cash flows used in operating activities		(1,208,271)	(1,252,918)
Investing activities			
Interest received		187,790	90,406
Net cash flows used in investing activities		187,790	90,406
Net decrease in cash and cash equivalents		(1,020,481)	(1,162,512)
Cash and cash equivalents at the beginning of the period		7,783,448	10,254,198
Cash and cash equivalents at the end of the period	11	6,762,967	9,091,686

The Notes on pages 9 to 22 form an integral part of these 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, VG1110, British Virgin Islands and UK establishment (BR022831) at 11 Buckingham Street, London WC2N 6DF.

The Company has been formed for the purpose of effecting a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar business combination with one or more businesses. The Company has one subsidiary, MAC II (BVI) Limited (together with the Company, the "Group").

2. ACCOUNTING POLICIES

(a) Basis of preparation

These Condensed Consolidated Financial Statements ("Interim Financial Statements") have been prepared in accordance with IAS 34 Interim Financial Reporting and are presented on a condensed basis.

The 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 2023 ("2023 Annual Report"), which is available on the Company's website www.marwynac2.com. Accounting policies applicable to these Interim Financial Statements are consistent with those applied in the 2023 Financial Statements.

(b) Going concern

The 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 for 12 months from the date of approval. The Directors have considered the financial position of the Group and have reviewed forecasts and budgets for a period of at least 12 months following the approval of the Interim Financial Statements.

At 31 December 2023, the Group has net assets of £4,004,291 (30 June 2023: £4,749,829), net assets excluding warrant liabilities of £6,544,291 (30 June 2023: £7,416,829) and a cash balance of £6,762,967 (30 June 2023: £7,783,448). The Company has sufficient resources to continue to pursue its investment strategy which may include effecting a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar business combination with one or more businesses.

Subject to the structure of any acquisition, the Company may need to raise additional funds to finance the acquisition in the form of equity and/or debt. The capital structure of the Company enables it to issue different types of shares in order to raise equity to fund an acquisition. The ability of the Company to raise additional funds in relation to an acquisition may affect its ability to complete that acquisition. Other factors outside of the Company's control may also impact on the Company's ability to complete that acquisition. The key risks relating to the Company's ability to execute its stated strategy are set out in its 2023 Annual Report, which is available on the Company's website.

The Company entered into a forward purchase agreement ("FPA") on 27 November 2020 with Marwyn Value Investors II LP ("MVI II LP") of up to £20 million, which may be drawn for general working capital purposes and to fund due diligence costs. Any drawdown is subject to the prior approval of MVI II LP and the satisfaction of conditions precedent. As at 31 December 2023, the Company has drawn down £12 million under the FPA.

2. ACCOUNTING POLICIES (CONTINUED)

Whilst the FPA provides a mechanism for the Company to raise additional funds, as any drawdown is not under the exclusive control on the Company, all cashflow and working capital forecasts have been prepared without any further draw down on the FPA being assumed.

The Directors have considered the macroeconomic backdrop and the ongoing operating costs expected to be incurred by the business over at least the next 12 months. Based on their review the Directors have concluded that there are no material uncertainties relating to going concern of the Group and as such the 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 of the Interim Financial Statements.

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

New standards and amendments to International Financial Reporting Standards

The International Financial Reporting Standards (“IFRS”) applicable to the Interim Financial Statements of the Group for the six-month period to 31 December 2023 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
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7*);	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1);	1 January 2024
Amendments to IFRS 16 – Lease liability in sale and leaseback;	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*; and	1 January 2024
Amendments to IAS 21 Lack of Exchangeability.	1 January 2025

*Subject to endorsement by the EU

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s 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.

Significant estimates and accounting judgements

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). Previously, the Warrants were exercisable at any time until five years after the issue date; effective 31 March 2022 the exercise date for the Warrants was extended to the 5th anniversary of a business acquisition, as detailed in Note 13. 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 an operating business, the Board of Directors considers the Group as a whole for the purposes of assessing performance and allocating resources, and therefore the Group has one reportable operating segment.

5. EMPLOYEES AND DIRECTORS

Employment cost for the Group during the period:

	Six months ended 31 December 2023 Unaudited £'s	Six months ended 31 December 2022 Unaudited £'s
Employment costs for the Group during the period		
Directors' salaries	359,315	135,694
Staff salaries	40,000	-
Pension contributions	14,141	-
Social security costs	55,710	18,901
Short term employment benefits	6,010	-
	475,176	154,595

The Board considers the Directors of the Company, to be the key management personnel of the Group.

During the six months ended 31 December 2023, the Company had four (31 December 2022: three) serving directors: James Corsellis, Mark Hodges, Catherine Riley and Will Self. The Company had one employee at the period end who was not a director during the period (2022: None).

Mark Hodges, Cathryn Riley and Will Self received remuneration under the terms of their director service agreements.

The Company's subsidiary has issued Incentive Shares directly to Will Self and Mark Hodges, with James Corsellis indirectly beneficially interested in the Incentive Shares through his indirect interest in MLTI, further detail is disclosed in Note 17.

6. ADMINISTRATIVE EXPENSES

	Six months ended 31 December 2023 Unaudited £'s	Six months ended 31 December 2022 Unaudited £'s
Group expenses by nature		
Personnel costs (Note 5)	475,176	154,595
Professional support	455,719	436,348
Non-recurring project, professional and due diligence costs	115,500	557,332
Share based payment expense (Note 17)	21,755	14,652
Audit Fees	11,625	9,750
Sundry expenses	2,308	4,350
	1,082,083	1,177,027

7. TAXATION

	Six months ended 31 December 2023 Unaudited £'s	Six months ended 31 December 2022 Unaudited £'s
Analysis of tax in period		
Current tax on loss for the period	-	-
Total current tax	-	-
Reconciliation of effective rate and tax charge:		
	Six months ended 31 December 2023 Unaudited £'s	Six months ended 31 December 2022 Unaudited £'s
Loss on ordinary activities before tax	(767,293)	(1,213,621)
Expenses not deductible for tax purposes	(104,036)	592,144
Loss on ordinary activities subject to corporation tax	(871,327)	(621,476)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 25% (2022: 19%)	(217,832)	(118,080)
Effects of:		
Losses carried forward for which no deferred tax recognised	217,832	118,080
Total taxation charge	-	-

The Group is tax resident in the UK. As at 31 December 2023, cumulative tax losses available to carry forward against future trading profits were £5,824,473 (As at 30 June 2023: £4,953,146) 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 Earnings per share (“EPS”) is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares and A shares in issue during the period. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares and A shares outstanding to assume conversion of all dilutive potential ordinary shares and A shares. The Company being loss making in both this period and comparative period would mean that any exercise would be anti-dilutive.

The Company maintains different share classes, of which ordinary shares, A shares and Sponsor Shares were in issue in the current period and prior period. The key difference between ordinary shares and A shares is that the ordinary shares are traded with voting rights attached. The ordinary share and A 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 distribution rights so has been ignored for the purposes of IAS 33.

Refer to Note 13 (warrant liability) and to Note 17 (share-based payments) for instruments that could potentially dilute basic EPS in the future.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. LOSS PER ORDINARY SHARE (CONTINUED)

	Six months ended 31 December 2023	Six months ended 31 December 2022
	Unaudited	Unaudited
Loss attributable to owners of the parent (£'s)	(767,293)	(1,213,621)
Weighted average shares in issue	12,700,000	12,700,000
Basic and diluted loss per ordinary share (£'s)	(0.0604)	(0.0956)

9. SUBSIDIARY

Marwyn Acquisition Company II Limited is the parent company of the Group, the Group comprises of Marwyn Acquisition Company II Limited and the following subsidiary as at 31 December 2023:

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

The share capital of MAC II (BVI) Limited consists of both ordinary shares and Incentive Shares. The Incentive Shares are non-voting and disclosed in more detail in Note 17.

There are no restrictions on the parent company's ability to access or use the assets and settle the liabilities of the 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 2023 Unaudited £'s	As at 30 June 2023 Audited £'s
Amounts receivable in one year:		
Prepayments	28,596	20,689
Due from a related party (Note 18)	1	1
VAT receivable	23,795	214,930
	52,392	235,620

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.

11. CASH AND CASH EQUIVALENTS

	As at 31 December 2023 Unaudited £'s	As at 30 June 2023 Audited £'s
Cash and cash equivalents		
Cash at bank	6,762,967	7,783,448
	6,762,967	7,783,448

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 2023 Unaudited £'s	As at 30 June 2023 Audited £'s
Amounts falling due within one year:		
Trade payables	3,700	165,661
Due to a related party (Note 18)	58,588	179,192
Accruals	104,498	158,602
Other tax liabilities	38,335	30,345
Other creditors	547	3,039
A1 ordinary share liability (Note 17)	65,400	65,400
	271,068	602,239

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 LIABILITY

	£'s
Fair value of warrants at 1 July 2022	2,413,000
<i>Fair value movement of warrants:</i>	
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
<i>Fair value movement of warrants:</i>	
Warrant liability – ordinary warrants	14,000
Warrant liability – A warrants	240,000
Total fair value movement	254,000
Fair value of warrants at 30 June 2023	2,667,000
<i>Fair value movement of warrants:</i>	
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 2023	2,540,000

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 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 and are exercisable for 5 years from the date of the Business Acquisition.

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 A warrant instrument (“**A 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 and are exercisable for 5 years from the date of the Business Acquisition.

Effective 31 March 2022, both the Warrant Instrument and A Warrant Instrument were amended such that the long stop date was extended to the fifth anniversary of an initial acquisition by a member of the Group (which may be in the form of a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar transaction) of a business (“**Business Acquisition**”). Previously the warrants were 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 31 December 2023, the fair value was assessed as 20p per warrant, the result of which is a fair value gain of £127,000 (period ended 31 December 2022: loss £127,000). The Directors are responsible for determining the fair value of the warrants at each reporting date, the underlying calculations are prepared by Deloitte LLP.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. WARRANT LIABILITY (CONTINUED)

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

	As at 31 December 2023 Unaudited	As at 30 June 2023 Audited
Combined price of a share and warrant	£1	£1
Exercise price	£1	£1
Expected volatility	30.0%	30.0%
Risk free rate	3.30%	4.70%
Expected dividends	0.0%	0.0%
Expected term	5 th anniversary of the completion of a Business Acquisition	5 th anniversary of the completion of a Business Acquisition

14. STATED CAPITAL

	As at 31 December 2023 Unaudited £'s	As at 30 June 2023 Audited £'s
Authorised		
Unlimited ordinary shares of no par value	-	-
Unlimited A shares of no par value	-	-
100 sponsor shares of no par value	-	-
Issued and fully paid		
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 winding-up. Provided the holder of the Sponsor Share holds directly or indirectly 5 percent 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.

14. STATED CAPITAL (CONTINUED)

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 percent 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 shares 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 percent or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares) or are a holder of Incentive Shares.

15. RESERVES

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

Accumulated losses

Cumulative losses recognised in the Consolidated Statement of Comprehensive Income.

Share based payment reserve

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

16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

	As at 31 December 2023 Unaudited £'s	As at 30 June 2023 Audited £'s
Financial assets measured at amortised cost		
Cash and cash equivalents (Note 11)	6,762,967	7,783,448
Due from related party (Note 18)	1	1
	<u>6,762,968</u>	<u>7,783,449</u>
Financial liabilities measured at amortised cost		
Trade payables (Note 12)	3,700	165,661
Accruals (Note 12)	104,498	158,602
Due to a related party (Note 18)	58,588	179,192
A1 ordinary share liability (Note 17)	65,400	65,400
	<u>232,186</u>	<u>568,855</u>
Financial liabilities measured at fair value through profit and loss		
Warrant Liability (Note 13)	2,540,000	2,667,000
	<u>2,540,000</u>	<u>2,667,000</u>

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. SHARE BASED PAYMENTS

Management Long Term Incentive Arrangements

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

The LTIP will only reward the participants if shareholder value is created. This ensures alignment of the interests of management directly with those of Shareholders.

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") and the Incentive shares issued to MLTI were redesignated as A2 Shares.

17. SHARE BASED PAYMENTS (CONTINUED)

Mark Hodges and Will Self were issued A1 Shares on 19 June 2022 and 5 June 2023 respectively.

Preferred Return

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

Incentive Value

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

Grant date

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

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 amount received on the issue of A1 Shares is recognised as a liability in the Interim Financial Statements.

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.

17. SHARE BASED PAYMENTS (CONTINUED)

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. whereby 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, Mark Hodges and Will Self hold Incentive Shares entitling them in aggregate to 100 percent 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 in issue at 31 December 2023.

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
5 June 2023	Will Self	A1	£0.01	23.00	800	18,400	60,000

17. SHARE BASED PAYMENTS (CONTINUED)

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
5 June 2023	Will Self	A1	30%	4.4%	7.2

**The expected term assumes that the Incentive Shares are exercised 7 years post acquisition.*

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 £21,755 (31 December 2022: £14,652) has been recognised in the Statement of Comprehensive Income in respect of the Incentive Shares during the period. This has increased share-based payment reserve to £223,396 (30 June 2023: £ 201,641). There is a service condition associated with the shares issued to both Mark Hodges and Will Self which requires the fair value charge associated with these shares to be allocated over the minimum vesting period. These vesting periods are estimated to be 4.0 years and 3.04 years respectively 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.

18. RELATED PARTIES

James Corsellis has served as a director 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, and Antoinette Vanderpuije is a partner, hold 75 percent 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 (30 June 2022: unpaid).

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 17.

Mark Hodges and Will Self have a direct interest in the A1 ordinary shares issued by MAC II (BVI) Limited, as disclosed in Note 17.

18. RELATED PARTIES (CONTINUED)

James Corsellis is also the managing partner of Marwyn Capital LLP, and Antoinette Vanderpuije is a partner, which provides corporate finance support, company secretarial, administration and accounting services to the Company. 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 2023 by Marwyn Capital LLP for services was £352,616 (31 December 2022: £346,012) and they had incurred expenses on behalf of the Company of £39,399 (31 December 2022: £76,401) and of this £58,588 (30 June 2023: £179,192) was outstanding as at the period end.

The Company has recharged costs during the period associated with provision of project services of £Nil (31 December 2022: £10,750) to Marwyn Acquisition Company III Limited (“MAC III”), of which £Nil (30 June 2023: £Nil) 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 during the period.

19. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 December 2023 (31 December 2022: £Nil) that require disclosure or adjustment in these Interim Financial Statements.

20. POST BALANCE SHEET EVENTS

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

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