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LEI number: 254900LOBYWJWYSAB947

6 March 2023

MAC Alpha Limited
(the "Company")

Interim Report for the period ended 31 December 2022

The Company announces its interim results for the period ended 31 December 2022.

The Interim Report is also available on the 'Shareholder Documents' page of the Company's website at www.mac-alpha.com.

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MAC ALPHA LIMITED

Unaudited Interim

Condensed Consolidated Financial Statements for the 6 months ended 31 December 2022

MANAGEMENT REPORT

I present to shareholders the unaudited interim condensed consolidated financial statements of MAC Alpha Limited (the "Company") for the six months to 31 December 2022 (the "**Consolidated Interim Financial Statements**"), consolidating the results of MAC Alpha Limited and its subsidiary MAC Alpha (BVI) Limited (collectively, the "**Group**" or "**MAC**").

Strategy

The Company was incorporated on 11 October 2021 and subsequently listed on the Main Market of the London Stock Exchange on 24 December 2021. 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.

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:

- Automotive & Transport
- Business-to-Business Services
- Clean Technology
- Consumer & Luxury Goods
- Financial Services, Banking & Fin Tech
- Insurance, Reinsurance & InsurTech, & Other Vertical Marketplaces
- Media & Technology
- Healthcare & Diagnostics

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

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

Results

The Group's loss after taxation for the period to 31 December 2022 was £170,297 (from incorporation to 31 December 2021: loss of £122,400), it should be noted that these periods are of differing lengths and as such are not directly comparable. The Group held a cash balance at the period end of £81,751 (as at 30 June 2022: £282,244).

Directors

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

James Corsellis (Chairman)

Antoinette Vanderpuije (appointed 6 November 2022)

Tom Basset (appointed 6 November 2022)

Mark Brangstrup Watts (resigned 6 November 2022)

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 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. There have been no significant changes to the principal risks described on in the Group's Annual Report and Consolidated Financial Statements for the year ended 30 June 2022. The Directors are of the opinion that the risks detailed therein are applicable to the six-month period to 31 December 2022, as well as the remaining six months of the current financial year.

Outlook

The Directors continue to identify and develop opportunities with potential management partners, across a variety of sectors, and believe the listed status and structure of the Company position it well to capitalise on these opportunities in the current market environment.

REPRESENTATIVES 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.mac-alpha.com.

James Corsellis

Chairman

5 March 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 31 December 2022 Unaudited £	Period ended 31 December 2021 Unaudited £
	Note		
Administrative expenses	6	(172,048)	(122,400)
Total operating loss		(172,048)	(122,400)
Finance income		1,751	-
Loss before income taxes		(170,297)	(122,400)
Income tax		-	-
Loss for the period		(170,297)	(122,400)
Total other comprehensive income		-	-
Total comprehensive loss for the period		(170,297)	(122,400)
Loss per ordinary share			
Basic and Diluted (£'S)	7	(0.24)	(0.17)

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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2022 Unaudited £	As at 30 June 2022 Audited £
	Note		
Assets			
Current assets			
Other receivables	9	24,189	9,602
Cash and cash equivalents	10	81,751	282,244
Total current assets		105,940	291,846
Total assets		105,940	291,846
Equity and liabilities			
Equity			
Ordinary shares	12	319,000	319,000
Sponsor share	12	1	1
Warrants reserve	12, 13	105,000	105,000
Share-based payment reserve	13, 15	67,516	67,516
Accumulated losses	13	(126,048)	(126,048)

Accumulated losses	10	(700,000)	(200,000)
Total equity		55,177	225,474
Current liabilities			
Trade and other payables	11	50,763	66,372
Total liabilities		50,763	66,372
Total equity and liabilities		105,940	291,846

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 5 March 2023 and were signed on its behalf by:

James Corsellis
Chairman

Tom Basset
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Ordinary shares £	Sponsor Share £	Share based payment reserve £	Warrant reserve	Accumulated losses £	Total equity £
Balance at incorporation		-	-	-	-	-	-
Issuance of 1 ordinary share	12	1	-	-	-	-	1
Redesignation of 1 ordinary share	12	(1)	1	-	-	-	-
Issuance of 700,000 ordinary shares	12	595,000	-	-	105,000	-	700,000
Share issue costs	12	(276,000)	-	-	-	-	(276,000)
Total comprehensive loss for the period		-	-	-	-	(122,400)	(122,400)
Share-based payment charge	15	-	-	67,516	-	-	67,516
Balance as at 31 December 2021		319,000	1	67,516	105,000	(122,400)	369,117
	Notes	Ordinary shares £	Sponsor Share £	Share based payment reserve £	Warrant reserve	Accumulated losses £	Total equity £
Balance at 1 July 2022		319,000	1	67,516	105,000	(266,043)	225,474
Total comprehensive loss for the period		-	-	-	-	(170,297)	(170,297)
Balance as at 31 December 2022		319,000	1	67,516	105,000	(436,340)	55,177

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 31 December 2022 Unaudited £	Period ended 31 December 2021 Unaudited £
Operating activities			
Loss for the period		(170,297)	(122,400)

Adjustments to reconcile total operating loss to net cash

Adjustments to reconcile total operating loss to net cash flows:

Finance income		(1,751)	-
Share-based payment expense	15	-	52,516

Working capital adjustments:

Increase in trade and other receivables and prepayments		(14,587)	(23,912)
(Decrease)/increase in trade and other payables		(15,609)	354,795
Net cash flows used in operating activities		(202,244)	260,999

Investing activities

Interest received		1,751	-
Net cash flows received from investing activities		1,751	-

Financing activities

Proceeds from issue of ordinary share capital, matching warrants and 1 sponsor share	12	-	700,001
Proceeds from issue of A ordinary shares	15	-	15,000
Costs directly attributable to equity raise	12	-	(276,000)
Net cash flows from financing activities		-	439,001

Net (decrease)/increase in cash and cash equivalents		(200,493)	700,000
Cash and cash equivalents at the beginning of the period		282,244	-
Cash and cash equivalents at the end of the period	10	81,751	700,000

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

MAC Alpha Limited was incorporated on 11 October 2021 in the British Virgin Islands ("BVI") as a BVI business company (registered number 2078235) under the BVI Business Company Act, 2004. The Company was listed on the Main Market of the London Stock Exchange on 24 December 2021 and has its registered address at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110. 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 Alpha (BVI) Limited (together with the Company the "Group").

2. ACCOUNTING POLICIES

(a) Basis of preparation

The Condensed Consolidated Financial Statements have been prepared in accordance with the IAS 34 interim financial reporting and are presented on a condensed basis.

These Condensed Consolidated 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 period ended 30 June 2022, which is available on the Company's website, www.mac-alpha.com. Accounting policies applicable to these Condensed Consolidated Financial Statements are consistent with those applied in the Group's Annual Report and Consolidated Financial Statements for the period ended 30 June 2022.

(b) Going concern

The consolidated interim financial statements relating to the Group 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.

On 16 December 2021, the Company entered into a forward purchase agreement ("FPA") 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. On 5 March 2023, the Company drew down £600,000 under the FPA and accordingly issued 600,000 A shares and 600,000 matching A warrants as set out in the FPA.

The Directors have reviewed the working capital model for the Group, which includes the drawdown under the FPA, in detail and are satisfied that the Company will have sufficient cash to meet its ongoing operating costs. Subject to the structure of an acquisition, the Company will likely need to raise additional funds for an acquisition in the form of equity and/or debt.

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

Standards, amendments and interpretations effective and adopted by the Group

IFRSs applicable to the Consolidated Interim Financial Statements of the Group for the period 6 months to 31 December 2022 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 currently expected that these standards will have a material impact on the Group.

Standard	Effective date
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	1 January 2023
Disclosure of accounting policies (Amendments to IAS 1)	1 January 2023
Definition of accounting estimates (Amendments to IAS 8)	1 January 2023
Amendments to IFRS 17 Insurance contracts	1 January 2023
Amendments to IFRS 4 - Extension of temporary exemption of applying IFRS 9	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a similar transaction	1 January 2023
Amendments to IFRS 16 - Lease liability in sale and leaseback*	1 January 2024
Amendments to IAS 1 - Liabilities with covenants*	1 January 2024

*Subject to endorsement by the EU

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's 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.

Significant estimates and accounting judgements

For the period ended 31 December 2022, the Directors do not consider that they have made any significant accounting estimates or judgements which would materially affect the balances and results reported in these Consolidated Interim Financial Statements.

3. 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.

4. EMPLOYEES AND DIRECTORS

The Group does not have any employees. During the six months to 31 December 2022, the Company had four serving directors: James Corsellis, Mark Brangstrup Watts, Antoinette Vanderpuije and Tom Basset, no director received remuneration under the terms of their director service agreements (2021: 2 directors and £nil).

5. ADMINISTRATIVE EXPENSES

	For six months ended 31 December 2022	For the period ended 31 December 2021
	£	£
Group expenses by nature		
Professional support	144,089	36,658
Non-recurring project, professional and due diligence costs	15,798	32,473
Audit fees payable in respect of the audit of the Group	7,696	-
Share based payment expense	-	52,516
Other expenses	4,465	753
	<u>172,048</u>	<u>122,400</u>

6. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the profit/ 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 700,000 ordinary shares and 1 sponsor share in issue as 31 December 2022. The sponsor share has no rights to distribution and so has been ignored for the purposes of IAS 33.

Refer to note 12 (equity and reserves) and note 15 (share based payments) of these Consolidated Interim Financial Statements for instruments that could potentially dilute basic EPS in the future.

	For six months ended 31 December 2022	For the period ended 31 December 2021
Loss attributable to owners of the parent (£'s)	(170,297)	(122,400)
Weighted average in issue	700,000	700,000
Basic and diluted loss per ordinary share (£'s)	(0.24)	(0.17)

7. 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 Alpha (BVI) Limited	Incentive vehicle	BVI	100%	100%

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

The share capital of MAC Alpha (BVI) Limited consists of both ordinary shares and A ordinary shares. The A ordinary shares are held by Marwyn Long Term Incentive LP ("MLTI") (note 15) and are non-voting.

8. OTHER RECEIVABLES

	As at 31 December 2022 £	As at 30 June 2022 £
Amounts receivable in one year:		
Prepayments	24,189	9,602
	24,189	9,602

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

9. CASH AND CASH EQUIVALENTS

	As at 31 December 2022 £	As at 30 June 2022 £
Cash and cash equivalents		
Cash at bank	81,751	282,244
	81,751	282,244

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.

10. TRADE AND OTHER PAYABLES

	As at 31 December 2022 £	As at 30 June 2022 £
Amounts falling due within one year:		
Trade payables	8,052	33,149
Due to a related party (note 16)	12,724	-
Accruals	29,987	33,223
	50,763	66,372

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

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.

11. STATED CAPITAL

Authorised

Unlimited ordinary shares of no par value

Unlimited class A shares of no par value

Unlimited class B shares of no par value

100 sponsor shares of no par value

	As at 31 December 2022 £	As at 30 June 2022 £
Issued		
700,000 ordinary shares of no par value	319,000	319,000
1 sponsor share of no par value	1	1

On incorporation, the Company issued 1 ordinary share of no par value to Marwyn Value Investors II LP. On 28 October 2021, 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 24 December 2021, 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 15p per Warrant and therefore each ordinary share has been valued at 85p per share therefore, on issuance of the Warrants £105,000 was recorded in the warrant reserve.

Costs of £276,000 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 and have 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.

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) or is a holder of incentive shares the Company must receive the prior consent of the holder of the Sponsor Share 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 holder of the Sponsor Share has the right to require that: (i) any purchase or redemption by the Company of its 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.

12. 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.

Warrant reserve

The warrant reserve includes the cumulative fair value of warrants issued as valued on the grant of the warrants.

13. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

	As at 31 December 2022 £	As at 30 June 2022 £
Financial assets measured at amortised cost		
Cash and cash equivalents	81,751	282,244
	81,751	282,244
Financial liabilities measured at amortised cost		
Trade and other payables	50,763	66,372
	50,763	66,372

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.

14. SHARE-BASED PAYMENTS

Management Long Term Incentive Arrangements

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

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

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

Preferred Return

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

Incentive Value

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

Grant date

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

Redemption / Exercise

Unless otherwise determined and subject to the redemption conditions having been met, the Company and the holders of the Incentive Shares have the right to exchange each Incentive Share for Ordinary Shares, which will be dilutive to the interests of the holders of Ordinary Shares. However, if the Company has sufficient cash resources and the Company so determines, the Incentive Shares may instead be redeemed for cash. It is currently expected that in the ordinary course Incentive Shares will be exchanged for Ordinary Shares. However, the Company retains the right but not the obligation to redeem the Incentive Shares for cash instead. Circumstances where the Company may exercise this right include, but are not limited to, where the Company is not authorised to issue additional Ordinary Shares or on the winding-up or takeover of the Company.

Any holder of Incentive Shares who exercises their Incentive Shares prior to other holders is entitled to their proportion of the Incentive Value to the date that they exercise but no more. Their proportion is determined by the number of Incentive Shares they hold relative to the total number of issued shares of the same class.

Vesting Conditions and Vesting Period

The Incentive Shares are subject to certain vesting conditions, at least one of which must be (and continue to be) satisfied in order for a holder of Incentive Shares to exercise its redemption right.

The vesting conditions are as follows:

- i. it is later than the third anniversary of the initial acquisition;
- ii. a sale of all or substantially all of the revenue or net assets of the business of the Subsidiary in combination with the distribution of the net proceeds of that sale to the Company and then to its shareholders;
- iii. a sale of all of the issued ordinary shares of the Subsidiary or a merger of the Subsidiary in combination with the distribution of the net proceeds of that sale or merger to the Company's shareholders;
- iv. 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 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 2021.

	Nominal Price	Issue price per A ordinary share £'s	Number of A ordinary shares	Unrestricted market value at grant date £'s	IFRS 2 Fair value £'s
Marwyn Long Term Incentive LP	£0.01	7.50	2,000	15,000	67,516

No incentive shares were issued in the period ended 31 December 2022.

Valuation of Incentive Shares

A valuation of the incentive shares has been prepared by Deloitte LLP dated 25 November 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 0.7 per cent. has been applied. The model incorporates a range of probabilities for the likelihood of an acquisition being made of a given size.

An expense of £nil (2021: £52,516) has been recognised in the Statement of Comprehensive Income for the period ended 31 December 2022.

15. RELATED PARTIES

James Corsellis, Antoinette Vanderpuije and Tom Basset have served as directors of the company during the period. James Corsellis is the managing partner of Marwyn Investment Management LLP ("MIMLLP"), and Antoinette Vanderpuije and Tom Basset are partners of MIMLLP. MIMLLP is the manager of the Marwyn Fund, the Marwyn Fund holds 90% of the Company's issued ordinary shares. Mark Brangstrup Watts was a director of the Company until 6 November 2022, up until this date Mark Brangstrup Watts was also a managing partner of MIMLLP.

Marwyn Value Investors II LP is an entity within the Marwyn Fund, the Company has entered into a FPA with Marwyn Value Investors II LP under which the Company has drawn down £600,000 on 5 March 2023, as disclosed in note 18 of these Condensed Consolidated Financial Statements

James Corsellis is the managing partner of Marwyn Capital LLP, and Antoinette Vanderpuije and Tom Basset are also partners. Mark Brangstrup Watts was a managing partner of Marwyn Capital LLP until 6 November 2022. Marwyn Capital LLP provides corporate finance and managed services support including named company secretary, to the Company. As part of this engagement a fee of £150,000 was charged in relation to the Company's equity raise on IPO, this fee was recognised and invoiced in the period ended 31 December 2021. On an ongoing basis a monthly fee of £10,000 per calendar month is charged for the provision of the corporate finance services, and managed services support is charged by Marwyn Capital LLP on a time spent basis. The total amount charged in the six months ended 31 December 2022 by Marwyn Capital LLP was £90,352 (2021: £150,000) and they had incurred expenses on behalf of the Group, which were subsequently recharged, of £84 (2021: £23,693). An amount payable to Marwyn Capital LLP of £10,000 (2021: £150,000) was outstanding as at the period end. There was also an accrued amount with Marwyn Capital LLP of £2,724 of which £224 (2021: £14) related to recharged costs.

16. COMMITMENTS AND CONTINGENT LIABILITIES

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

17. POST BALANCE SHEET EVENTS

On 5 March 2023, pursuant to the FPA between the Company, Marwyn General Partner II Limited and Marwyn Value Investors II LP, the Company raised £600,000 through the issue of 600,000 A shares ("A Shares") (with Class A Warrants ("A Warrants") being issued on the basis of one Class A Warrant per A Share) at a price of £1 per share.

The amount was drawn down under the FPA to provide required capital to support the execution of the Company's stated strategy and will be invested upon receipt in its subsidiary by way of capital contribution.

The A Shares are ordinary equity shares with the same economic rights as the Company's ordinary shares but without voting rights. They are convertible into ordinary shares on a one-for-one basis at the time at which the Company next publishes a prospectus or equivalent document in relation to a future listing of shares.

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