

24 September 2024

BAY CAPITAL PLC

("Bay" or the "Company")

Interim Results for the six months ended 30 June 2024

Bay Capital Plc (LSE: BAY) announces its unaudited condensed interim results for the six months to 30 June 2024 (the "Interim Report").

Peter Tom CBE, Chairman, said:

"During the financial year we have continued to evaluate acquisition opportunities from our M&A pipeline, particularly within those industrial and construction sectors that remain fragmented and ripe for consolidation.

"A number of active discussions with high quality businesses continue, and while the prevailing economic environment remains challenging, we are positive about the strategic opportunity for Bay and its shareholders, and will update in due course as our plans develop."

Strategy

The Company was established in 2021 to pursue opportunities in the industrial, construction and business services sectors.

The Company has a flexible approach, enabling it to deploy capital in minority, majority or outright ownership investments across the UK and internationally. The Directors aim to identify fundamentally sound assets, where tangible opportunities exist to drive strategic, operational and performance improvements.

The Company is the parent company of Bay Capital Subco Limited (a private limited company under the laws of Jersey with registered number 134744) and together will be referred to as the "Group" in these accounts.

Results and developments in the six month period to 30 June 2024

The Group's loss after taxation was £283,896 (six month period to 30 June 2023: £171,789), principally reflecting operating expenses incurred as a listed business and acquisition activities of £304,310 (six month period to 30 June 2023: £199,010).

The Group generated a loss per share of 0.4 pence (six month period to 30 June 2023: loss per share of 0.2 pence).

As at 30 June 2024, the Group's cash balance was £4,893,053 (31 December 2023: £6,067,461).

On 18 June 2024, the Company held its Annual General Meeting at which all resolutions were unanimously passed.

Risks

As the Company has yet to complete an investment or acquisition, it has limited financial statements, historical financial data and trading history. As such, during the period the Group and Company were subject to the risks and uncertainties associated with those of an early-stage acquisition company.

The Directors are of the opinion that these risks, which were detailed in Bay's published final results for the financial year ended 31 December 2023, remain applicable to the Group and Company.

Dividend

At this point in the Company's development, it does not anticipate declaring any dividends in the foreseeable future. The Directors will determine an appropriate dividend policy for the Company following its inaugural investment or acquisition.

Outlook

During the period, and post period end, Bay has continued to pursue its investment and acquisition strategy and is currently assessing opportunities across the industrial and construction sectors. The Directors have identified, and continue to evaluate, a number of successful companies with high quality management teams that are seeking to partner with, and leverage the benefits of, the Board's experience and that of the wider Bay team. The Directors look forward to updating shareholders on progress in due course.

Statement of Directors' responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board

Peter Tom CBE

Chairman

24 September 2024

Enquiries:

Bay Capital Plc

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c/o Tessera

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

| | Note | Six months ended 30 June 2024 Unaudited £ | Six months ended 30 June 2023 Unaudited £ |
|---|-------------|--|--|
| Administrative expenses | | (304,310) | (199,010) |
| Operating loss | | (304,310) | (199,010) |
| Interest receivable | 5 | 20,414 | 27,221 |
| Loss on ordinary activities before taxation | | (283,896) | (171,789) |
| Taxation charge | | - | - |
| Loss and total comprehensive loss for the period | | (283,896) | (171,789) |
| Loss per share Basic & diluted | 10 | (£0.004) | (£0.002) |
| Loss attributable to: Owners of the parent company | | (283,896) | (171,789) |

The Group has no items of other comprehensive income in either the current or prior period. All activities in both the current and the prior period relate to continuing operations.

The accompanying notes form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

| | Note | As at 30 June 2024 Unaudited £ | As at 31 December 2023 Audited £ |
|----------------------------------|-------------|---|---|
| Current assets | | | |
| Cash and cash equivalents | 8 | 4,893,053 | 6,067,461 |
| Trade and other receivables | 7 | 7,350 | 8,079 |
| Total current assets | | 4,900,403 | 6,075,540 |
| Total assets | | 4,900,403 | 6,075,540 |
| Current liabilities | | | |
| Trade and other payables | 9 | 61,943 | 958,674 |
| Total current liabilities | | 61,943 | 958,674 |

| | | | |
|---|----|------------------|------------------|
| Total liabilities | | 61,943 | 958,674 |
| Total net assets | | 4,838,460 | 5,116,866 |
| Equity | | | |
| Share capital | 12 | 700,000 | 700,000 |
| Share premium | 13 | 6,258,748 | 6,258,748 |
| Capital redemption reserve | 13 | 2 | 2 |
| Share-based payment reserve | 13 | 30,697 | 25,207 |
| Retained deficit | 13 | (2,150,987) | (1,867,091) |
| Total equity attributable to equity holders of the Company | | 4,838,460 | 5,116,866 |

The accompanying notes form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023 (Unaudited)

| | Share capital | Share premium | Capital redemption reserve | Share-based payment reserve | Retained deficit | Total Equity |
|--------------------------------|----------------|------------------|----------------------------|-----------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Balance as at 31 December 2022 | 700,000 | 6,258,748 | 2 | 14,228 | (560,405) | 6,412,573 |
| Loss for the period | - | - | - | - | (171,789) | (171,789) |
| Share-based payment charge | - | - | - | 5,489 | - | 5,489 |
| Balance as at 30 June 2023 | 700,000 | 6,258,748 | 2 | 19,717 | (732,194) | 6,246,273 |

For the six months ended 30 June 2024 (Unaudited)

| | Share capital | Share premium | Capital redemption reserve | Share-based payment reserve | Retained deficit | Total Equity |
|--------------------------------|----------------|------------------|----------------------------|-----------------------------|--------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Balance as at 31 December 2023 | 700,000 | 6,258,748 | 2 | 25,207 | (1,867,091) | 5,116,866 |
| Loss for the period | - | - | - | - | (283,896) | (283,896) |
| Share-based payment charge | - | - | - | 5,490 | - | 5,490 |
| Balance as at 30 June 2024 | 700,000 | 6,258,748 | 2 | 30,697 | (2,150,987) | 4,838,460 |

The accompanying notes form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

| | Six months ended 30 June 2024 Unaudited £ | Six months ended 30 June 2023 Unaudited £ |
|---|---|---|
| Cash flows from operating activities | | |
| Loss before income tax | (283,896) | (171,789) |
| Adjustments for: | | |
| Share-based payment charge | 5,490 | 5,489 |
| Interest receivable | (20,414) | (27,221) |
| Operating cash flows before changes in working capital | (298,820) | (193,521) |
| Decrease in trade and other receivables | 729 | 517 |

| | | |
|---|--------------------|------------------|
| (Decrease)/increase in trade and other payables | (896,731) | 62,081 |
| Net cash used in operating activities | (1,194,822) | (130,923) |
| Interest received | 20,414 | 15,298 |
| Net cash inflow from financing activities | 20,414 | 15,298 |
| Net decrease in cash and cash equivalents | (1,174,408) | (115,625) |
| Cash and cash equivalents at beginning of period | 6,067,461 | 6,458,073 |
| Cash and cash equivalents at end of period | 4,893,053 | 6,342,448 |

The accompanying notes form part of these interim condensed consolidated financial statements.

NOTES TO THE GROUP FINANCIAL INFORMATION

1. General information

The Company is a public limited company incorporated and domiciled in Jersey, whose shares are publicly traded on the Main Market of the London Stock Exchange. The Company is the parent company of Bay Capital Subco Limited (a private limited company under the laws of Jersey with registered number 134744).

The address of its registered office is 28 Esplanade, St. Helier, Channel Islands, JE2 3QA, Jersey.

The Company has been incorporated for the purpose of identifying suitable acquisition opportunities in accordance with the Group's investment and acquisition strategy with a view to creating shareholder value. The Group will retain a flexible investment and acquisition strategy which will, subject to appropriate levels of due diligence, enable it to deploy capital in target companies by way of minority or majority investments, or full acquisitions where it is in the interests of shareholders to do so. This will include transactions with target companies located in the UK and internationally.

2. Basis of preparation

These interim condensed consolidated financial statements and accompanying notes have neither been audited nor reviewed by the Company's auditor.

The unaudited interim financial statements in this report have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as adopted by the UK. The accounting policies adopted in the interim financial statements are consistent with those adopted in the Group's last annual report for the year ended 31 December 2023 with regards to the measurement and recognition of each type of asset, liability, income and expense presented. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial statements have been prepared on a going concern basis.

The interim 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 as at 31 December 2023, which is available on the Company's website.

These interim financial statements present selected explanatory notes to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 31 December 2023.

The interim condensed consolidated financial statements are presented in £ and rounded to the nearest £ unless otherwise stated.

These interim condensed consolidated financial statements were approved by the Board of Directors on 24 September 2024.

Comparative figures

Comparative figures which have been presented cover the six month period ended 30 June 2023. The statement of financial position comparative figures are shown as at 31 December 2023.

Statutory accounts

Financial information contained in this document does not constitute statutory accounts within the meaning of the Companies (Jersey) Law 1991. The statutory accounts for the year ended 31 December 2023 have been filed with the Registrar of Companies. The report of the auditors on those statutory accounts was unqualified and did not draw attention to any matters by way of emphasis.

3. Significant accounting policies

The interim condensed consolidated financial statements are based on the following policies which have been consistently applied:

Basis of consolidation

The interim condensed consolidated financial statements present the results of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Where the Group has control over a Company, it is classified as a subsidiary. The Group controls a company if all three of the following elements are present: power over the Company, exposure to variable returns from the Company, and the ability of the Group to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The interim condensed consolidated financial statements incorporate the results of business combinations using the acquisition method. In the interim consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The acquisition related costs are included in the consolidated statement of comprehensive income on an accruals basis. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

Functional and presentational currency

The Group's functional and presentational currency for these financial statements is the pound sterling.

Interest receivable

Interest receivable is recognised on a time-proportion basis using the effective interest rate method.

Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of three months or less from inception, held for meeting short term commitments.

Equity

Equity comprises of share capital, share premium, capital redemption reserve, share based payment reserve, and retained deficit.

Share capital is measured at the par value.

Share premium and retained deficit represent balances conventionally attributed to those descriptions. The transaction costs relating to the issue of shares was deducted from share premium.

The Capital redemption reserve is made up on amounts arising from the cancellation of the deferred shares.

Share-based payment reserve includes the cumulative share-based payment charged to equity.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or equity respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the statement of financial position date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Financial assets and liabilities

The Group's financial assets and liabilities comprise of cash and cash equivalents, accruals and payroll related creditors. Financial assets are stated at amortised cost less provision for expected credit losses. Financial liabilities are stated at amortised cost.

Share-based payments

The Group operates an equity-settled share-based payment plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period, based on the Group's estimate of awards that will eventually vest, with a corresponding increase in equity as a share-based payment reserve.

This plan includes market-based vesting conditions for which the fair value at grant date reflects and are therefore not subsequently revisited. The fair value is determined using a binomial model.

Warrants

Warrants issued as part of share issues have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time as the warrants is equal to the price paid, these warrants, by deduction, are considered to have been issued at fair value. No warrants have been exercised in the period or recognised in these interim consolidated financial statements. For further details of the warrants issued please refer to the Group's latest annual report at 31 December 2023.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Standards in issue but not yet effective

At the date of authorisation of these financial statements there were amendments to standards which were in issue, but which were not yet effective, and which have not been applied. The principal one was:

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

The Directors do not expect the adoption of this amendment to standards to have a material impact on the financial statements.

4. Critical accounting estimates and judgments

In preparing the interim condensed consolidated financial statements, the Directors have to make judgments on how to apply the Group's accounting policies and make estimates about the future. The Directors do not consider them to be any critical

the Group's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the interim condensed consolidated financial statements.

5. Interest receivable

| | Six months ended 30 June 2024 Unaudited £ | Six months ended 30 June 2023 Unaudited £ |
|--------------------------|--|--|
| Bank interest receivable | 20,414 | 27,221 |

6. Investments

Principal subsidiary undertakings of the Group

The Company directly owns the ordinary share capital of its subsidiary undertakings as set out below:

| Subsidiary | Nature of business | Country of incorporation | Proportion of A ordinary shares held by Company | Proportion of B ordinary shares held by Company |
|---------------------------|------------------------------|-----------------------------|---|---|
| Bay Capital Subco Limited | Intermediate holding company | Jersey, Channel Islands | 100 per cent. | 0 per cent. |

The address of the registered office of Bay Capital Subco Limited (the "Subco") is 28 Esplanade, St. Helier, Channel Islands, JE2 3QA, Jersey. The Subco was incorporated on 31 March 2021 and prepares its own financial statements for the period ended 31 December each year.

The A ordinary shares have full voting rights, full rights to participate in a dividend and full rights to participate in a distribution of capital. The B ordinary shares have been issued pursuant to the Company's Subco Incentive Scheme and hold no voting or dividend rights or rights to distribution.

7. Trade and other receivables

| | As at 30 June 2024 Unaudited £ | As at 31 December 2023 Audited £ |
|-------------|---|---|
| Prepayments | 7,350 | 8,079 |
| | 7,350 | 8,079 |

8. Cash and cash equivalents

| | As at 30 June 2024 Unaudited £ | As at 31 December 2023 Audited £ |
|--------------------------|---|---|
| Cash at bank and in hand | 4,893,053 | 6,067,461 |

9. Trade and other payables

| | As at 30 June 2024 Unaudited £ | As at 31 December 2023 Audited £ |
|-------------------------------|---|---|
| Accruals | 51,906 | 948,263 |
| Other tax and social security | 7,762 | 8,136 |
| Payroll related creditors | 2,275 | 2,275 |
| | 61,943 | 958,674 |

10. Earnings per share

| | Six months ended 30 June 2024 Unaudited £ | Six months ended 30 June 2023 Unaudited £ |
|--|--|--|
| Loss attributable to the equity holders of the Company | (283,896) | (171,789) |
| Weighted number of shares in issue | 70,000,000 | 70,000,000 |
| Loss per share (£) | (0.004) | (0.002) |

11. Financial instruments

| | As at 30 June 2024 Unaudited £ | As at 31 December 2023 Audited £ |
|---------------------------|---|---|
| Financial assets | | |
| Cash and cash equivalents | 4,893,053 | 6,067,461 |
| | 4,893,053 | 6,067,461 |

| | As at 30 June 2024 Unaudited £ | As at 31 December 2023 Audited £ |
|--|---|---|
|--|---|---|

Financial liabilities

| | | |
|----------|--------|---------|
| Accruals | 51,906 | 948,263 |
|----------|--------|---------|

| | | |
|---------------------------|--------|---------|
| Payroll related creditors | 2,275 | 2,275 |
| | 54,181 | 950,538 |

Financial risk management objectives and policies

The Group's financial assets and liabilities comprise of cash and cash equivalents, accruals and payroll related creditors. The carrying value of all financial assets and liabilities equals fair value given their short-term nature.

Credit risk

The Group's credit risk is wholly attributable to its cash balance. All cash balances are held at a reputable bank in Jersey. The credit risk from its cash and cash equivalents is deemed to be low due to the nature and size of the balances held.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements and to invest funds securely and profitably.

12. Share capital

| | Allocated, called up and fully paid | | | |
|----------------------------|--|---|--|---|
| | As at 30 June 2024 Unaudited Number | As at 30 June 2024 Unaudited £ | As at 31 December 2023 Audited Number | As at 31 December 2023 Audited £ |
| Ordinary shares of 1p each | 70,000,000 | 700,000 | 70,000,000 | 700,000 |

13. Reserves

Share premium and retained deficit represent balances conventionally attributed to those descriptions. The transaction costs relating to the issue of shares was deducted from share premium.

The Capital redemption reserve is made up on amounts arising from the cancellation of the deferred shares.

Share-based payment reserve includes the cumulative share-based payment charged to equity.

The Group having no regulatory or similar requirements, its primary capital management focus is on maximising earnings per share and therefore shareholder return.

14. Share incentive Plan

On 14 September 2021, the Group created a Subco Incentive Scheme within its wholly owned subsidiary Bay Capital Subco Limited ("Subco"). Under the terms of the Subco Incentive Scheme, scheme participants are only rewarded if a predetermined level of shareholder value is created over a three to five year period or upon a change of control of the Company or Subco (whichever occurs first), calculated on a formula basis by reference to the growth in market capitalisation of the Company, following adjustments for the issue of any new Ordinary shares and taking into account dividends and capital returns ("Shareholder Value"), realised by the exercise by the beneficiaries of a put option in respect of their shares in Subco and satisfied either in cash or by the issue of new ordinary shares at the election of the Company.

Under these arrangements in place, participants are entitled to up to a share of 15 percent of the Shareholder Value created, subject to such Shareholder Value having increased by at least 10 percent, per annum compounded over a period of between three and five years from admission or following a change of control of the Company or Subco.

15. Share-based payments

The Subco Incentive Scheme detailed in Note 14 is an equity-settled share option plan which allows employees and advisors of the Group to sell their B shares to the Company in exchange for a cash payment or for shares in the Company (at the Company's election) if certain conditions are met.

These conditions include good and bad leaver provisions and that growth in Shareholder Value of 10 percent compound per annum is delivered over a three to five year period for the scheme to vest. This second condition is therefore a market condition which has been taken into account in the measurement at grant date of the fair value of the options.

The weighted average exercise price of the outstanding B share options is £0.10 which have a weighted average contractual life of 2 years 3 months. No B share options were issued in the period, all of which were outstanding at the period end. No B share options were exercised in the period. No B share options have expired during the period.

The Group recognised £5,490 (six months ended 30 June 2023: £5,489) of expenditure in the statement of total comprehensive income in relation to equity-settled share-based payments in the period.

The fair value of options granted during the period was determined by applying a binominal model. The expense is apportioned over the vesting period of the option and is based on the number which are expected to vest and the fair value of these options at the date of grant.

The inputs into the binomial model in respect of options granted in the period are as follows:

| | |
|--|---------|
| Opening share price | 10.0p |
| Expected volatility of share price | 16.67% |
| Expected life of options | 5 years |
| Risk-free rate | 0.73% |
| Target increase in share price per annum | 10% |

Expected volatility was estimated by reference to the average 5-year volatility of the FTSE SmallCap Index.

The target increase in Shareholder Value is laid out in the Articles of Association of the Subco and represents the compounded target annual increase in market capitalisation (adjusted for capital raises and dividends) that needs to be met between the third and fifth anniversary of the Group's admission onto the London Stock Exchange in order for the scheme to vest.

The Group did not enter into any share-based payment transactions with parties other than employees and advisors during the current period.

16. Related party transactions

There are no related party transactions requiring disclosure.

17. Contingent liabilities

There are no contingent liabilities at the reporting date which would have a material impact on the financial statements.

18. Events after the reporting date

There are no events subsequent to the reporting date which would have a material impact on the financial statements.

19. Ultimate controlling party

In the opinion of the Directors, there is no single ultimate controlling party.

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