



MARWYN ACQUISITION COMPANY II LIMITED

Annual Report and Audited Consolidated
Financial Statements

For the year ended 30 June 2024

MARWYN
Acquisition Company II

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We present to shareholders the audited consolidated financial statements of Marwyn Acquisition Company II Limited (the “**Company**”) for the year ended 30 June 2024 (the “**Financial Statements**”), consolidating the results of Marwyn Acquisition Company II Limited and its subsidiaries; MAC II (BVI) Limited, and MAC II UK Limited (collectively, the “**Group**” or “**MAC**”).

Acquisition of InvestAcc

On 28 June 2024, the Company announced that its subsidiary, MAC II UK Limited, had entered into binding agreements to acquire 100 per cent. of the issued share capital of InvestAcc Group Limited (“**InvestAcc**”), a leading pensions services provider, for £41.5 million, representing an enterprise value of approximately £36 million on a cash-free debt-free basis (the “**Acquisition**”), partly funded via a £30 million institutional placing and subscription (effective 4th July 2024) and the issue of 6,150,911 consideration shares (“**Consideration Shares**”). The Acquisition is subject to the approval of the Financial Conduct Authority (“**FCA**”), on receipt of which the Acquisition will complete (“**Completion**”). On Completion, the Company intends to change its name to InvestAcc Group Limited.

InvestAcc was founded in 1992 by CEO Nick Gardner as DHC Brokers Ltd. Initially it serviced the financial planning requirements of one of Cumbria's accountancy practises. The business is now a leading UK personal pension administrator, having a proven track record of delivering exceptional customer service, scalable operations and infrastructure, a strong financial profile and a sustainable organic growth trajectory. All of the management team, including the founder, are expected to stay with the business post completion. InvestAcc has two principal subsidiaries, InvestAcc Pension Administration Limited (“**IPA**”) and Vesta Wealth Limited (“**Vesta**”).

IPA offers Self Invested Personal Pension (“**SIPP**”) and Small Self Administered Scheme (“**SSAS**”) products distributed primarily through Independent Financial Advisers (“**IFAs**”) throughout the UK, with over 1,000 supporting advisers. With the exception of UK fixed term deposit accounts, IPA does not accept any new non-standard assets into any of its schemes. IPA's flagship plan is the “Minerva SIPP”, which is a full SIPP allowing investment in any permitted standard asset. The “SIPP Lite” scheme is a lower cost, simpler SIPP and allows investment in a single investment, such as a discretionary fund manager portfolio plus a bank account. Vesta is a chartered financial planner that offers holistic advice to a wide range of customers. It provides initial and ongoing advice under service agreements with over £450 million of Assets Under Administration (“**AuA**”).

Strategic Rationale and market opportunity

MAC's strategy is to build the UK's leading specialist pensions administration business in the public markets with an initial focus on the SIPP segment, a highly attractive investment opportunity. InvestAcc is the first and key step in executing this strategy.

1. **InvestAcc is a highly scalable platform business:** an award-winning provider of SIPP and SSAS services in the UK with a strong commitment to high quality customer service and outcomes. This is evidenced by their customer service score of 96 per cent., winning best pension service provider four years running between 2020 and 2023, and winning the best SIPP provider in 2023. The business provides the optimal strategic platform to create value, possessing scalable operations and infrastructure, a strong financial profile - generating £8.8 million of revenue and £3.6 million of adjusted Earnings before interest tax depreciation and amortisation (“**EBITDA**”) for FY23 - and a sustainable organic growth trajectory. The Acquisition represents a unique opportunity to develop the UK's leading specialist pensions administration business with an initial focus on the SIPP Segment.
2. **Long term structural market growth:** favourable macroeconomic trends and the evolution of the pension industry have created a drive towards personal pensions (including SIPPs). Total SIPP market AuA are expected to grow at an 8% Compound Annual Growth Rate (“**CAGR**”) over the next 5-years from c.£500 billion to c.£750 billion.
3. **Excellent underlying business fundamentals:** Full SIPP administrators typically have a customer retention rate of above 90 per cent., creating an ongoing fee-based revenue stream. The average SIPP

plan lasts for more than 25 years, benefitting from embedded growth through contractual inflation-linked fees. Industry average EBITDA margins exceed 30 per cent. with strong cashflow conversion.

4. **Near term M&A consolidation opportunity with a robust pipeline:** there is a highly attractive mergers and acquisitions (“M&A”) landscape for acquiring Full SIPP and Simple SIPP administrators across a range of sellers. Regulatory pressure, underpinned by a push for higher levels of consumer duty care, as well as vendor needs, are driving the sector to consolidate actively. MAC has a robust pipeline primarily sourced directly by the management team who are in active discussions in relation to five potential acquisitions with vendors which combined could deliver more than £20 billion of AuA and 45,000 customers in 2024 and 2025.
5. **A sector leading team with M&A track record:** the Company's management team have over 65 years of combined operational and strategic experience in the financial services and wealth sector, and have led multiple successful transactions. The MAC management team are supported by Marwyn's M&A and capital markets expertise, who have a track record of successful public market fund raises, having raised over £3.9 billion to date across 12 comparable vehicles delivering £4.9 billion in gross equity profits for investors.

Results

The Group's total comprehensive loss for the year to 30 June 2024 was £2,971,103 (2023: £3,527,899). Of the costs incurred in the year, £115,500 (2023: £2,017,600) relates to non-recurring project costs and £1,717,914 (2023: £nil) of acquisition related costs as disclosed in Note 6 of these Financial Statements. The Group held a cash balance at the year end of £6,461,475 (2023: £7,783,448).

During the year reported in these Financial Statements, the Group had not acquired an operating business and as such only generated interest income on its bank deposits.

Historic financial information on InvestAcc is included in the prospectus issued in respect of the Acquisition dated 1 July 2024 (the “Prospectus”), and its results will be consolidated by the Company from Completion.

Dividend Policy

The Company has not yet adopted a dividend policy, however, as set out in the Prospectus, the Directors recognise the importance of dividends to investors, both as a key component of shareholder value creation and as a discipline on the business of the Company. The board of Directors (the “Board”) will determine the appropriate dividend policy following Completion, but it expects to adopt a progressive dividend policy.

The Company has stated, that subject to Completion, the Company will announce its dividend policy at the same time as it publishes its interim results for the interim financial period to 31 December 2024. The Board intends that such policy will stipulate that, for financial years of the Company following the adoption of such policy, any interim dividends paid by the Company will be equal to one third of the total dividend (interim plus final) paid by the Company in the prior financial year.

Key Performance Indicators

As at the date of this report, the Company has not yet acquired a trading business and therefore no key performance indicators have been set. Following Completion, the Directors will formally adopt key performance indicators for the consolidated performance of MAC and InvestAcc (the “Enlarged Group”).

Stated Capital and significant shareholdings

Details of the stated capital of the Company during the year are set out in Note 15. At the balance sheet date, the Company had in issue 700,000 Ordinary Shares and matching warrants, 12,000,000 A Shares and matching warrants and 1 Sponsor Share.

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As disclosed in Note 22, on 4 July 2024 the placing and subscription in relation to the Acquisition were completed which resulted in the following changes to stated capital and warrants;

- the Company issued 30,000,000 New Ordinary Shares of no par value for £30 million in cash in order to fund the Acquisition;
- the 12,000,000 A Shares managed by Marwyn Investment Management LLP (“MIM LLP”) on behalf of funds under discretionary management were converted into New Ordinary Shares; and
- the 12,000,000 A Warrants held by MIM LLP on behalf of funds under discretionary management were surrendered and cancelled.

Following these transactions, as at the date of this report, the Company has in issue 42,700,000 Ordinary Shares of no par value and 700,000 ordinary warrants.

On Completion of the acquisition, the 6,150,911 Consideration Shares will be issued. The Consideration Shares will be subject to a 12 month Lock-in Period, with a requirement that any sale of Consideration Shares in the 12 months following the end of the Lock-in Period (the “**Restricted Period**”) may only be made on the basis that an orderly market in the Ordinary Shares is maintained.

The table below shows significant shareholders at the balance sheet date, at the date of this report and, based on the significant shareholders at the date of this report, the expected interests held following the issuance of the Consideration Shares.

Significant shareholder	Interest at the Balance Sheet date	Interest at the date of this report	Expected interest following issuance of Consideration Shares
Marwyn Investment Management LLP	75.0%	68.4%	59.8%
Nicholas Gardner	-	-	12.7%
M&G Investment Management (Recovery)	-	4.7%	4.1%
M&G Investment Management (Small Cap)	-	4.7%	4.1%
River Global Investors LLP	-	4.6%	4.0%
Dowgate Wealth Management	-	3.9%	3.4%
Killik & Co. LLP	-	3.5%	3.1%
Octopus Investments	-	3.0%	2.7%
Avril Palmer-Baunack	4.9%	1.3%	1.1%
Tim Lampert	4.9%	0.3%	0.3%
Simon Vivian	4.9%	0.3%	0.3%
Darren Throop	4.9%	0.1%	0.1%

Corporate Governance

The Board is committed to maintaining high standards of corporate governance. At the date of this report, the Company has not yet completed its platform acquisition, and therefore given the size and nature of the Group, the Directors have decided not to adopt the UK Corporate Governance Code nor to establish committees until Completion.

During the year and subsequently, the Company complied 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; and
- The Board ensures that the necessary resources are in place for the Company to meet its objectives and measure performance against them.

The Company had always committed to revisiting its compliance with the UK Corporate Governance Code at around the time of a platform acquisition. As set out in the Prospectus, the Company has committed to adopt the UK Corporate Governance Code on Completion, establishing Audit, Risk, Nomination and Remuneration Committees and to appoint at least three non-executive directors on or around Completion.

Directors

The Directors of the Company who served during the year and to the date of this report are:

Mark Hodges (Chair);
Will Self (Chief Executive Officer);
James Pearce (Chief Financial Officer) (appointed 23 May 2024)
James Corsellis (Non-Executive Director); and
Cathryn Riley (Non-Executive Director) (resigned 23 May 2024).

Directors' Biographies

Mark Hodges has over 30 years' experience across the financial services and consumer sectors, including extensive FTSE 100 board experience with Centrica plc and Aviva plc. He was also CEO of ReAssure (which he sold to Phoenix for £3.25 billion), Centrica's consumer division (including British Gas), Towergate Insurance, and Aviva UK. Mark is currently the independent non-executive chairman of the Royal Sun Alliance Insurance Group, a wholly owned subsidiary of the Intact Finance Corporation.

Will Self has extensive experience across pension and retirement services sectors. He was previously Chief Executive Officer of Suffolk Life and Chief Commercial Officer of Cofunds (both divisions of Legal & General), and subsequently CEO of Curtis Banks Group plc. During his time at Suffolk Life, Will led one of the SIPP industry's first consolidation initiatives including the acquisition of the full SIPP book from Pointon York in 2012, the merger with Curtis Banks in 2016, and the acquisition of Talbut and Muir. Will is also a Trustee of the Seckford Foundation and serves as Deputy Chair to the FCA Small Business Practitioner Panel. He holds an MBA from Cranfield School of Management.

James Pearce has experience in the pensions and insurance industry, and in capital markets. He was previously CFO of the Pension SuperFund and Director of Group Finance at Just Group plc. He is a Chartered Accountant and held managing director roles at JP Morgan Cazenove and UBS.

James Corsellis is Managing Partner of Marwyn Capital and Chief Investment Officer of MIMLLP. He brings extensive public company experience, management and corporate finance expertise across a range of sectors, and an extensive network of relationships with coinvestors, advisers and other business leaders. He is chairman of Marwyn Acquisition Company III Limited and MAC Alpha Limited, and a director of 450 plc and Silvercloud Holdings Limited. Previously he has served as Chairman of Entertainment One, CEO of icollector plc; and as a non-executive director of BCA Marketplace, Advanced Computer Software and Breedon Aggregates.

Risk management and internal control systems

During the financial year, prior to work commencing on the Acquisition, the Company had in place a robust risk framework which identified and assessed the risks faced by the business whilst it was a cash shell. The Company's risk management framework incorporated a risk assessment that identified and assessed the strategic, operational and financial risks facing the business and their mitigating controls. The risk assessment was documented through a risk register which categorised the key risks faced by the business into:

- Business risks;
- Shareholder risks;
- Financial and procedural risks; and
- Risks associated with an acquisition.

As part of the Acquisition, the Directors, with the support of their advisers, considered and documented the ongoing risk management framework for the Enlarged Group, both identifying the key risks facing the Company during this interim period whilst the Company is seeking change in control approval from the FCA, and subsequently following Completion where the Company will have operational control of InvestAcc.

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The Prospectus identifies and describes a wide range of risks facing the business as at the date of this report, and also those relating to the Enlarged Group (including the Company, its subsidiaries and the InvestAcc Group) following Completion. The prospectus is available to view at www.marwynac2.com/investors.

The risk assessment performed as part of the Acquisition identifies the potential impact and likelihood of each of the risks detailed on the risk register and mitigating factors/actions have also been identified along with key risk indicators that will enable the Company's management to monitor the risks posed. The risk matrix groups risks into strategic risks, operational risks, shareholder risks and risks which impact the financial position and prospects.

The Company's risk management process includes both formal and informal elements. The size of the Board and the frequency in which they interact ensures that risks, or changes to the nature of the Company's existing risks, are identified, discussed and analysed quickly. The Company's governance framework, including formal periodic board meetings with standing agendas, ensures that the Company has a formal framework in place to manage the review, consideration and formal approval of the risk register, including risk assessment.

At the date of this report, the Board of Directors is responsible for the risk management framework of the Group, and on at least an annual basis the Enlarged Group's risk matrix is tabled for review and consideration. Effective on Completion, the Company will establish a Risk Committee who will be delegated responsibility for the risk management of the Enlarged Group. The Risk Committee will comprise of a minimum of two independent non-executive directors who are expected to be appointed on, or shortly after, Completion.

The Directors have set out below the principal risks faced by the business at the date of this report. These are the risks the Directors consider to be most relevant to the Company based on its current status. The risks referred to below do not purport to be exhaustive and are not set out in any particular order of priority.

Key risk	Explanation
Successful completion & integration of InvestAcc Limited	It is possible that the Group may not obtain the relevant regulatory clearances (including but not limited to the approval or authorisation of the Acquisition from the FCA), or that they may not be obtainable prior to the Acquisition Long Stop Date, or that they may only be obtained subject to certain conditions or undertakings, such as the disposal of parts of the Avanti Group business, which may not be acceptable to the Group.
Follow-on acquisitions	The Company intends to make further acquisitions of companies or books of business which may divert management attention away from the successful integration of the Enlarged Group. In addition, further acquisitions may involve risks of undisclosed liabilities and integration issues that are not revealed in the due diligence process. It could also result in the incurrence of additional indebtedness, costs, contingent liabilities, and impairment and amortisation expenses related to goodwill and other intangible assets. The success of future follow-on acquisitions will also rely on their successful integration to the Enlarged Group.
The Company may be unable to obtain additional funding needed to implement its strategy.	There may be significant competition for some or all of the acquisition opportunities that the Company may explore. The Company intends to seek additional sources of financing (equity and/or debt) to implement its strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all which may prevent the desired growth plans for the Enlarged Group from being achieved and may have a negative impact on the Company's reputation.
The Company could incur costs for transactions that may ultimately be unsuccessful	There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting and other due diligence.

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Regulatory change	The Enlarged Group will operate in an industry which is subject to the regular introduction of new laws and regulation as well as retrospective changes to existing laws. Changes in government policy, legislation or regulatory interpretation applying to companies in the financial services industry in the UK, which may be applied retrospectively, may adversely affect the Enlarged Group's product range, distribution channels, capital requirements and, consequently, results and financing requirements.
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Directors' interests

At the balance sheet date, the Directors had no direct interests in the Ordinary Shares of the Company, however, Mark Hodges and Will Self both participated in the equity fundraise in respect of the Acquisition, acquiring 150,000 and 50,000 New Ordinary Shares respectively on 4 July 2024.

All of the Directors have interests in the Company's long term incentive plan, as detailed in Note 18 to the Financial Statements.

James Corsellis is the Chief Investment Officer of MIM LLP which, at the balance sheet date, managed 75 per cent. of the Ordinary Shares and matching warrants, and 100% of the A Shares and matching A Warrants, and 1 sponsor share. As set out in Note 22 of these Financial Statements, the Company issued 30,000,000 New Ordinary Shares in respect of the Acquisition and the 12,000,000 A shares in issue were converted to Ordinary Shares and matching A Warrants were redeemed and cancelled. As a result, as at the date of this report MIM LLP manages 68.4% of the Company's Ordinary Shares and 1 sponsor share. MIM LLP's ordinary shareholding will fall to 59.8% upon issue of the Consideration Shares at Completion. James Corsellis is also the managing partner of Marwyn Capital LLP, a firm which provides corporate finance advice, company secretarial services and ad-hoc managed services support to the Company.

Details of the related party transactions which occurred during the year are disclosed in Note 19 to the Financial Statements, save for the participation in the Company's long term incentive plan as disclosed in Note 18 to the Financial Statements.

There were no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors.

Statement of Going Concern

The 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. 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 Financial Statements, and, in respect of the Acquisition and publication of the Prospectus, and the application to the FCA in respect of change in control approval, the Company looked at a period of three years following Completion.

At 30 June 2024, the Group has net assets of £1,832,896 (2023: £4,749,829), net assets excluding warrant liabilities of £3,920,896 (2023: £7,416,829) and a cash balance of £6,461,475 (2023: £7,783,448). As disclosed in more detail in note 22 of these Financial Statements, on the 4th July 2024, the Company raised £30,000,000 through the placing of 30,000,000 New Ordinary Shares, at a price of £1 per share and the net proceeds from the placing were received into the Company's bank account on this date.

Should Completion not occur, 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. Should Completion occur, the Company has sufficient resources to complete the Acquisition and operate the Enlarged Group.

The Directors have considered macro environmental factors that have impacted both the global and domestic economy, in making their assessment of the Company's ability to continue as a going concern both with, and without Completion occurring.

Based on their review the Directors have concluded that there are no material uncertainties relating to going concern status of the Group and as such the 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 Financial Statements.

Outlook

Subject to Completion, the acquisition of InvestAcc provides an excellent platform from which to execute a buy and build strategy in the pensions administration sector. We have long admired InvestAcc Group, which has a strong market reputation and a loyal and growing customer base.

With a greater focus on savings, changing demographics and a growing reliance on the family, the pensions administration industry plays an important role in securing financial independence and security for customers over the long-term.

The Company has appointed Allan Dibble as Chief Commercial Officer (“CCO”), and subject to regulatory approval he will commence his role in September 2024. Allan brings over 20 years of experience in post-merger integration and strategic transformation in financial services, primarily in the life insurance, savings and retirement sectors. Allan’s expertise will prove invaluable as we look forward to investing further in InvestAcc’s proposition and unlocking an ambitious M&A agenda to build the UK’s leading specialist pensions administrator.

In addition, James Keely was appointed as Chief Risk Officer on 20 August 2024. He had worked closely with the Directors, supporting the Company with the Acquisition and subsequent FCA application as a consultant. James was Chief Risk Officer at Curtis Banks Group plc until January 2024. James was the FCA approved person for Risk, Compliance and the Money Laundering Reporting Officer for the regulated entities within the Curtis Banks Group, three FCA approved pension providers and a PRA/FCA dual regulated insurance company. He has over twenty years of experience in senior risk, governance and regulatory roles within the financial services sector, including significant involvement in various mergers and acquisitions of pension providers.

The Board has a number of active conversations in respect of potential opportunities in progress and we look forward to updating shareholders in due course.

The Directors are responsible for preparing the consolidated financial statements in accordance with applicable laws and regulations, including the BVI Business Companies Act, 2004. The Directors have prepared the financial statements for the year to 30 June 2024, which present fairly the state of affairs of the Group and the profit or loss of the Group for that year.

The Directors have acted honestly and in good faith and in what the Directors believes to be in the best interests of the Company.

The Directors have chosen to use International Financial Reporting Standards as adopted by the European Union ("EU adopted IFRS" or "IFRS") in preparing the Group's Financial Statements. International Accounting Standard 1 requires that the Financial Statements present fairly for each financial year the group's financial position, financial performance and cash flows. This requires the faithful presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable EU adopted IFRS.

A fair presentation also requires the Directors to:

- select consistently and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in EU adopted IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Group has complied with EU adopted IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Stock Exchange.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

Financial information is published on the Group's website. The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor's accept no responsibility for any changes that may occur to the Financial Statements after they are presented initially on the website. Legislation in the British Virgin Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibilities Pursuant to DTR4

In compliance with the Listing Rules of the London Stock Exchange, the Directors confirm to the best of their knowledge:

- The Financial Statements have been prepared in accordance with EU adopted IFRS, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- The management report includes a fair review of the development and performance of the business and the financial position of the group, together with a description of the principal risks and uncertainties that they face.

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RESPONSIBILITY STATEMENT

Independent Auditor

Baker Tilly Channel Islands Limited ("BTCL") remains the Company's independent auditor for the year ended 30 June 2024 and has expressed its willingness to continue to act as auditor to the Group.

Disclosure of Information to Auditor

Each of the Directors in office at the date the Report of the Directors is approved, whose names and functions are listed in the Report of the Directors, confirm that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with EU adopted IFRS, present fairly the assets, liabilities, financial position and loss of the Group;
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces;
- so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This Directors' Report was approved by the Board of Directors on 30 August 2024 and is signed on its behalf.

By Order of the Board

Mark Hodges

Chair

30 August 2024

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INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Marwyn Acquisition Company II Limited

Opinion

We have audited the consolidated financial statements of Marwyn Acquisition Company II Limited (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs); and
- have been prepared in accordance with the requirements of the BVI Business Company Act 2004, as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS REPORT

Key audit matter	How our audit addressed the matter	Key observations communicated to those charged with governance
Equity and Warrants Issuance The warrants issued to investors are subject to judgement in both classification and valuation. The classification of the warrants is complex and must consider the nature and details of the instrument contracts to determine the correct classification between equity and liabilities. Further the fair value of these warrants was determined using the Black Scholes option pricing methodology which considered the exercise price, expected volatility, risk free rate, expected dividends and expected term of the warrants which is complex and involves estimates and judgements. Financial statement impact: £2,088,000 (PY: 2,667,000). The accounting policies in note 2 sets out the treatment applied by management, and related disclosures are presented in note 14.	Classification We obtained an understanding of management's assessment of the classification of these instruments and the rationale for their classification. We critically reassessed whether the facts and circumstances remain unchanged during the current period, to ensure the classification remained appropriate. Valuation We obtained the valuation report prepared by management's expert and reviewed the credentials and inputs used. We reviewed and validated the assumptions, methodology and calculations in respect of the valuation of the instruments and confirmed it was in accordance with the requirements of IFRS 9 and IFRS 13. We also inspected the scoping sections of the management expert reports to ensure the procedures were for the appropriate purpose. Disclosure We reviewed the relevant disclosures in the consolidated financial statements in accordance with the requirements of the IFRS as adopted by the European Union and performed a financial statement disclosure checklist utilising specialist software.	Based on the procedures performed, we are satisfied that management's judgements and estimates in respect of the valuation and classification of warrants for the year ended 30 June 2024, along with the related disclosures in the consolidation financial statements, are appropriate. We have nothing further to report to those charged with governance from our testing.

Our Application of Materiality

Materiality for the consolidated financial statements as a whole was set at £73,000 (PY: £189,000), determined with reference to a benchmark of net assets, of which it represents 4% (PY: 4%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that

individually immaterial misstatements in individual account balances add up to a material amount across the consolidated financial statements as a whole.

Performance materiality was set at 70% (PY: 70%) of materiality for the consolidated financial statements as a whole, which equates to £51,000 (PY: £132,000). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Board of Directors any uncorrected omissions or misstatements exceeding £3,600 (PY: £9,400), in addition to those that warranted reporting on qualitative grounds.

The work on all the components was performed by the Group audit team.

Conclusions relating to Going Concern

In auditing the consolidated financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the consolidated financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the consolidated financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the consolidated financial statements themselves. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement set out on page 9 and 10, the Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiry of management to identify any instances of non-compliance with laws and regulations, including actual, suspected or alleged fraud;
- Reading minutes of meetings of the Board of Directors;
- Review of legal invoices;
- Review of management's significant estimates and judgements for evidence of bias;
- Review for undisclosed related party transactions;
- Obtained and reviewed bank statements as well as reviewed ledgers and minutes to ensure finance income is complete and as per our expectations;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Undertaking journal testing, including an analysis of manual journal entries to assess whether there were large and/or unusual entries pointing to irregularities, including fraud.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. The auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Other Matters which we are Required to Address

We were appointed by Marwyn Acquisition Company II Limited to audit the consolidated financial statements. Our total uninterrupted period of engagement is 3 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit. Our audit opinion is consistent with the additional report to the board in accordance with ISAs.

Use of this Report

This report is made solely to the Members of the Company, as a body, in accordance with our letter of engagement dated 24 July 2024. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sandy Cameron

For and on behalf of Baker Tilly Channel Islands Limited

Chartered Accountants

St Helier, Jersey

Date: 30 August 2024

MARWYN

Acquisition Company II

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 30 June 2024	Year ended 30 June 2023
	Note	£'s	£'s
Administrative expenses	6	(3,909,470)	(3,526,278)
Total operating loss		(3,909,470)	(3,526,278)
Finance income	7	359,367	252,379
Movement in fair value of warrants	14	579,000	(254,000)
Loss for the year before tax		(2,971,103)	(3,527,899)
Income tax	8	-	-
Loss for the year		(2,971,103)	(3,527,899)
Total other comprehensive income		-	-
Total comprehensive loss for the year		(2,971,103)	(3,527,899)
Loss per ordinary share		£'s	£'s
Basic and diluted	9	(0.2339)	(0.2778)

The Group's activities derive from continuing operations.

The Notes on pages 19 to 37 form an integral part of these Financial Statements.

MARWYN

Acquisition Company II

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2024	As at 30 June 2023
Assets	Note	£'s	£'s
Current assets			
Other receivables	11	1,069,959	235,620
Cash and cash equivalents	12	6,461,475	7,783,448
Total current assets		7,531,434	8,019,068
Total assets		7,531,434	8,019,068
Equity and liabilities			
Equity			
Ordinary Shares	15	326,700	326,700
A Shares	15	10,320,000	10,320,000
Sponsor share	15	1	1
Share-based payment reserve	16,18	255,811	201,641
Accumulated losses	16	(9,069,616)	(6,098,513)
Total equity		1,832,896	4,749,829
Current liabilities			
Trade and other payables	13	3,610,538	602,239
Warrants	14	2,088,000	2,667,000
Total liabilities		5,698,538	3,269,239
Total equity and liabilities		7,531,434	8,019,068

The Notes on pages 19 to 37 form an integral part of these Financial Statements.

The Financial Statements were issued and approved by the Board of Directors on 30 August 2024 and were signed on its behalf by:

Mark Hodges
Chair

James Pearce
Director

MARWYN
Acquisition Company II

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Ordinary Shares £'s	A Shares £'s	Sponsor Share £'s	Share based payment reserve £'s	Accumulated losses £'s	Total equity £'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 year		-	-	-	-	(3,527,899)	(3,527,899)
Share-based payment charge	18	-	-	-	30,512	-	30,512
Balance at 30 June 2023		326,700	10,320,000	1	201,641	(6,098,513)	4,749,829

	Note	Ordinary Shares £'s	A Shares £'s	Sponsor Share £'s	Share based payment reserve £'s	Accumulated losses £'s	Total equity £'s
Balance at 1 July 2023		326,700	10,320,000	1	201,641	(6,098,513)	4,749,829
Total comprehensive loss for the year		-	-	-	-	(2,971,103)	(2,971,103)
Share-based payment charge	18	-	-	-	43,510	-	43,510
Issuance of A1 incentive shares	18	-	-	-	10,660	-	10,660
Balance at 30 June 2024		326,700	10,320,000	1	255,811	(9,069,616)	1,832,896

The Notes on pages 19 to 37 form an integral part of these Financial Statements.

MARWYN
Acquisition Company II

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 30 June 2024 £'s	Year ended 30 June 2023 £'s
	Note		
Operating activities			
Loss for the year		(2,971,103)	(3,527,899)
Adjustments to reconcile total operating loss to net cash flows:			
Finance income	7	(359,367)	(252,379)
Fair value (gain) / loss on warrant provision	14	(579,000)	254,000
Share-based payment expense	18	43,510	30,512
Working capital adjustments:			
(Increase) / decrease in other receivables	11	(834,339)	569,740
Increase in trade and other payables	13	2,385,231	184,497
Net cash flows used in operating activities		<u>(2,315,068)</u>	<u>(2,741,529)</u>
Investing activities			
Interest received	7	359,367	252,379
Net cash flows received from investing activities		<u>359,367</u>	<u>252,379</u>
Financing activities			
Proceeds from issue of ordinary A share capital in MAC II (BVI) Ltd	18	10,660	18,400
Proceeds from proposed placing and subscription of Ordinary Shares	13, 22	623,068	-
Net cash flows received from financing activities		<u>633,728</u>	<u>18,400</u>
Net decrease in cash and cash equivalents		(1,321,973)	(2,470,750)
Cash and cash equivalents at the beginning of the year		7,783,448	10,254,198
Cash and cash equivalents at the end of the year	12	<u><u>6,461,475</u></u>	<u><u>7,783,448</u></u>

The Notes on pages 19 to 37 form an integral part of these Financial Statements.

1. GENERAL INFORMATION

Marwyn Acquisition Company II Limited (the "**Company**") 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 was 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 two subsidiaries, MAC II (BVI) Limited and MAC II UK Limited (together with the Company, the "**Group**").

As set out in the Management Report, the Company announced on 28 June 2024 that it had entered into binding agreements to acquire 100% of the issued share capital of InvestAcc Group Limited. The Acquisition is partly funded via a £30 million institutional placing and subscription (effective 4th July 2024) and the issue of 6,150,911 Consideration Shares.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements for the year ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations as adopted by the European Union (collectively, "**EU adopted IFRS**" or "**IFRS**") and are presented in British pounds sterling, which is the presentational currency of the Group. The Financial Statements have been prepared under the historical cost basis, except for the revaluation of certain financial instruments that will be measured at fair value at the end of each reporting year, as explained in the accounting policies below.

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied throughout the current and prior year presented.

(b) Going concern

The 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. 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 Financial Statements, and, in respect of the Acquisition and publication of the Prospectus, and the application to the FCA in respect of change in control approval, the Company looked at a period of three years following Completion.

At 30 June 2024, the Group has net assets of £1,832,896 (2023: £4,749,829), net assets excluding warrant liabilities of £3,920,896 (2023: £7,416,829) and a cash balance of £6,461,475 (2023: £7,783,448). As disclosed in more detail in note 22 of these Financial Statements, on the 4th July 2024, the Company raised £30,000,000 through the placing of 30,000,000 New Ordinary Shares, at a price of £1 per share and the net proceeds from the placing were received into the Company's bank account on this date.

Should Completion not occur, 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. Should Completion occur, the Company has sufficient resources to complete the Acquisition and operate the Enlarged Group.

The Directors have considered macro environmental factors that have impacted both the global and domestic economy, in making their assessment of the Company's ability to continue as a going concern both with, and without Completion occurring.

Based on their review the Directors have concluded that there are no material uncertainties relating to going concern status of the Group and as such the 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 Financial Statements.

2. ACCOUNTING POLICIES (CONTINUED)

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

Standards, amendments and interpretations 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 7 and IFRS 7 Supplier Finance Arrangements;	1 January 2024
Amendments to IAS 1 Non-current Liabilities with Covenants;	1 January 2024
Amendment to IFRS 16 Leases: Lease Liability in a sale & leaseback;	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*;	1 January 2024
Amendments to IAS 21 Lack of exchangeability*;	1 January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments*; and	1 January 2026
IFRS 18 – Presentation and Disclosure of financial Statements*.	1 January 2027

* Subject to EU endorsement

(d) Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries is fully consolidated from the date that control commences until the date that control ceases.

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial information.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group initially recognises financial assets and financial liabilities at fair value. With the exception of warrants, financial assets and liabilities are subsequently remeasured at amortised cost using the effective interest rate.

Warrants

Warrants are accounted for as derivative liability instruments under IAS 32 and are measured at fair value at the date of issue and remeasured at each subsequent reporting date with changes in fair value being recognised in the Statement of Comprehensive Income. Fair value of the warrants has been calculated using a Black-Scholes option pricing methodology and details of the estimates and judgements used in determining the fair value of the warrants are set out in Note 3. The warrant liability will be derecognised when the liability is extinguished either through exercise, expiry or surrender.

2. ACCOUNTING POLICIES (CONTINUED)

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits at banks. All deposits are readily convertible to known amounts of cash and which are subject to an insignificant risk of change with a short maturity of less than 2 months.

(g) Equity

Ordinary shares, A shares and sponsor shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised in equity as a deduction from the proceeds.

(h) Corporation tax

Corporation tax for the year presented comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(i) Loss per ordinary share

The Group presents basic earnings per Ordinary Share ("EPS") data for its Ordinary Shares and A Shares as disclosed in more detail in Note 9. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all potential dilutive Ordinary Shares.

(j) Share based payments

The A1 Ordinary Shares and A2 Ordinary Shares in MAC II (BVI) Limited (the "**Incentive Shares**"), represent equity-settled share-based payment arrangements under which the Group receives services as a consideration for the additional rights attached to these equity shares.

Equity-settled share-based payments to Directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. Fair value is determined using an appropriate valuation technique, further details of which are given in Note 18. The fair value is expensed, with a corresponding increase in equity, on a straight-line basis from the grant date to the expected exercise date. Where the equity instruments granted are considered to vest immediately as the services are deemed to have been received in full, the fair value is recognised as an expense with a corresponding increase in equity recognised at grant date.

(k) Warrants

On 4 December 2020, the Company issued 700,000 Ordinary Shares and matching warrants at a price of £1 for one ordinary share and matching warrant. Under the terms of the warrant instrument, warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues.

On 20 April 2021, the Company issued 12,000,000 A shares and matching A warrants at a price of £1 for one ordinary A share and matching A warrant. Under the terms of the warrant instrument, warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues.

As set out in note 22 of these Financial Statements, on the 4 July 2024, the A shares were converted into Ordinary Shares and the matching A warrants were surrendered and cancelled.

Warrants are accounted for as derivative liability instruments under IAS 32 and are measured at fair value at the date of issue and each subsequent balance sheet date. Fair value of the warrants has been calculated using a

2. ACCOUNTING POLICIES (CONTINUED)

Black-Scholes option pricing methodology and details of the estimates and judgements used in determining the fair value of the warrants are set out in Note 3.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's Financial Statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Key sources of estimation uncertainty

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). Effective 31 March 2022, the exercise date for the Warrants was extended to the 5th anniversary of a business acquisition, as detailed in Note 14. Consistent with prior years, 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.

As disclosed in note 22, on the 28 June 2024 the Company announced that its subsidiary had entered into binding agreements to acquire 100% of the issued share capital of InvestAcc, and that the acquisition would be financed via the placing of 30 million shares at a price of £1 per share. And on 1 July 2024, the Company published a prospectus, which set out in detail the nature of the transaction, and the financing mechanics which included the conversion of the 12 million A shares in issue into Ordinary Shares and the surrender and subsequent cancellation of the matching A warrants. On 4 July 2024, the Company announced the issuance of 30 million New Ordinary Shares at £1 per share, the conversion of the 12 million A shares in issue into Ordinary Shares and the cancellation of the A warrants.

Given these activities immediately prior and post year end, the valuation of the ordinary warrants and A warrants have been calculated differently at the year end.

Valuation of ordinary warrants

For the purposes of valuing the ordinary warrants, a market value of £1 per ordinary share has been used, being the price that the New Ordinary Shares were subscribed for without any matching warrants.

Valuation of A warrants

As the A shares were converted into Ordinary Shares, and the matching A warrants surrendered and cancelled on 4 July 2024 it is not appropriate to value the A shares at £1 at year end, instead, the aggregate value of the A shares and A warrants have a combined value of £1.

Valuation of Incentive Scheme

The Company has issued Incentive Shares as part of the creation of a long-term incentive scheme which is valued using a Monte Carlo model. This model requires estimation and judgement surrounding the inputs of exercise price, expected volatility, risk free rate, expected dividends, and expected term of the Incentive Shares. The Ordinary A share liability held, represents the subscription price as there is an option to redeem the shares for cash in the instance of a good leaver, at the lower of market value and the subscription price.

Other disclosures relating to the Group's exposure to risk and uncertainties in relation to financial instruments are included in Note 17.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical accounting judgements

Classification of warrants

The Directors considered the warrants to represent a derivative liability due to the potential modification of the exercise price under certain conditions that the Directors believe could possibly occur. This modification resulted in the warrants failing the 'fixed for fixed' test, as outlined in IAS 32 para 16, which is required to be met in order to recognise the warrants as equity instruments, whereby the Company would be required to provide a fixed number of shares for a fixed amount of cash on exercise of the warrants. Accordingly, the warrants were recognised as derivative liabilities, to be assessed at each balance sheet date with a review of the underlying inputs undertaken.

The initial fair value recognised for the warrants affects the corresponding entry in equity recognised for the issue of shares as the proceeds are required to be allocated between equity and liability. This is due to the proceeds received from the issue of equity deemed to have been received for both the issue of the shares and the warrants attached.

Recognition and classification of costs relating to fundraise

As at the 30 June 2024, the Company has incurred or accrued £2,621,041 of fees in connection with the acquisition of InvestAcc. These costs have been accounted for as follows:

- i. Where they are directly attributable to the issuance of shares, they are taken as a deduction from equity on the issuance of equity, and;
- ii. Where they are not directly attributable to the issuance of shares (for example an acquisition cost or listing cost), they are recorded in the Statement of Comprehensive Income as an expense.

Consistent with the approach taken in prior years, costs directly related to the prospectus are considered directly attributable to the issuance of shares, in this case being the 30 million New Ordinary Shares issued on 4 July 2024. All other costs associated with the transaction, for example acquisition related costs or costs associated with the listing of the New Ordinary Shares and conversion of the A shares into Ordinary Shares are recorded in the Statement of Comprehensive Income as an expense. As of 30 June 2024, costs amounting to £903,127 are considered to be directly attributable to the £30 million equity raise and have therefore been included within Other Receivables and categorised as deferred costs (refer to Note 11). As detailed in the Management Report and Note 13, on 4 July 2024 the placing and subscription of 30,000,000 New Ordinary Shares was completed, and as such, on this date the £903,127 of costs incurred were taken to equity.

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

During the year ended 30 June 2024, the Company had five serving Directors: James Corsellis, Mark Hodges, Cathryn Riley (resigned 23 May 2024), Will Self and James Pearce (appointed 23 May 2024). The Company has one employee at the year-end who was not a director during the year (2023: One).

Mark Hodges, Cathryn Riley, James Pearce and Will Self were the only Directors to receive remuneration under the terms of their director service agreements during the year.

The Company's subsidiary has issued Incentive Shares directly to Will Self, James Pearce, and Mark Hodges. James Corsellis is indirectly beneficially interested in the Incentive Shares through his interest in MLTI. Further detail is disclosed in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. EMPLOYEES AND DIRECTORS (CONTINUED)

(a) Employment costs for the Group during the year:

	Year ended 30 June 2024 £'s	Year ended 30 June 2023 £'s
Directors' salaries	727,045	322,083
Staff salaries	118,180	66,435
Social security costs	114,803	57,335
Signing on fee	-	34,717
Pension contributions	29,218	5,967
Short term employee benefits	4,468	3,604
Total employment costs expense	<u>993,714</u>	<u>490,142</u>

On 2 April 2024, James Pearce entered into a service agreement with the Company. Under the terms of his service agreement James was appointed as CFO. James is entitled to an annual gross salary of £220,000, a 5% employer pension contribution and to a transactional bonus of up to £100,000 on Completion. Employment is for an initial period of 12 months and in the event that Completion occurs within a year of James's appointment, a further 12 month period of employment shall commence. On 22 May 2024 James Pearce was issued A1 shares for which vesting will commence on permanent employment. Further details can be found in Note 18. On 23 May 2024 James Pearce was appointed as a director of the Company. Between the date of James's employment commencing, and his appointment as a director of the Company, James's salary was recorded in staff salaries.

Mark Hodges in respect of his appointment as Non-Executive Director and Chairman is entitled to an annual fee of £250,000. In the year ended June 2023 Mark also received a signing on fee of £61,238 of which £47,000 was used to pay the subscription price for his Incentive Shares as further detailed in Note 18 (2024: None).

Cathryn Riley in respect of her appointment as Non-Executive Director was entitled to an annual fee of £70,000. Cathryn stepped down from the Board on 23 May 2024.

Will Self in respect of his appointment as Chief-Executive Officer is entitled to an annual gross salary of £320,000, employer pension contribution of 8% of Gross salary and car allowance of up to £10,000. There are provisions for discretionary annual bonuses to be paid up to the maximum value of 75% of salary provided performance targets are met. In the year ended June 2023, he received a signing on fee of £34,717 of which £18,400 was used to pay the subscription price for his Incentive Shares as further detailed in Note 18 (2024: None).

James Corsellis did not receive a fee for his role as a non-executive director in the current year. With effect from 4 July 2024, James will be paid a fee of £75,000 per annum.

(b) Key management compensation

During the year, the Board considered the Directors of the Company to be the key management personnel of the Group.

(c) Employed persons

The average monthly number of persons employed by the Group (including Directors) during the year was as follows:

	Year ended 30 June 2024 number	Year ended 30 June 2023 number
Directors	4	3
Other staff	1	-
	<u>5</u>	<u>3</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. ADMINISTRATIVE EXPENSES

	Year ended 30 June 2024 £'s	Year ended 30 June 2023 £'s
Group expenses by nature		
Personnel costs	993,714	490,142
Acquisition related costs	1,717,914	-
Non-recurring project, professional and diligence costs	115,500	2,017,600
Professional support	1,007,269	955,813
Audit fees payable (Note 21)	24,580	23,000
Share-based payment expenses (Note 18)	43,510	30,512
Sundry expenses	6,983	9,211
	3,909,470	3,526,278

Acquisition related costs are those fees expensed that were attributable to the Acquisition.

In the prior year ending 30 June 2023, included within non-recurring project, professional and diligence costs is £723,592 that had been included on the balance sheet within current assets as a deferred cost in the year ended 30 June 2022. These are costs that were directly attributable to a future issuance of shares under a placing programme and therefore expected to be capitalised to equity, at the point that shares were issued. Effective on 31 March 2023, the Directors approved the termination of that placing programme and as such, the £723,592 of costs were taken to the Company's Profit and Loss Account in non-recurring project, professional and diligence costs.

7. FINANCE INCOME

	Year ended 30 June 2024 £'s	Year ended 30 June 2023 £'s
Interest on bank deposits	359,367	252,379
	359,367	252,379

8. INCOME TAX

	Year ended 30 June 2024 £'s	Year ended 30 June 2023 £'s
Analysis of tax in year		
Current tax on loss for the year	-	-
Total current tax	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. INCOME TAX (CONTINUED)

Reconciliation of effective rate and tax charge	Year ended 30 June 2024 £'s	Year ended 30 June 2023 £'s
Loss on ordinary activities before tax	(2,971,103)	(3,527,899)
Capital allowances	(758)	-
Expenses not deductible for tax purposes	(103,643)	294,032
Loss on ordinary activities subject to corporation tax	(3,075,504)	(3,233,867)
Loss multiplied by the rate of corporation tax in the UK of 25% (2023: 25%)	(768,876)	(808,467)
Effects of:		
Tax losses not utilised	768,876	808,467
Total taxation charge	-	-

The Group is tax resident in the UK. As at 30 June 2024, cumulative tax losses available to carry forward against future trading profits were £6,831,237 (2023: £3,755,735) 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. A deferred tax asset will be recognised in accordance IAS 12 once it is probable that the tax losses can be utilised. Under UK Law, there is no expiry for the use of tax losses. The tax losses available as at 30 June 2023 were reported as £4,953,146 in the prior year annual report. Subsequent to publication of those accounts, an update was made to the taxation calculation in line with updated professional tax advice, resulting in an adjustment to the losses available to carry forward.

9. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of Ordinary Shares and A shares in issue during the year. 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 year and comparative year 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 year and prior year. 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 rights to distribution rights so has been ignored for the purposes of IAS 33.

Immediately prior to the year end, the Company entered into Placing and Subscription agreements for the allotment of 30 million New Ordinary Shares, these shares were issued on 4 July. On the same date, the 12 million A shares were converted into Ordinary Shares and the 12 million A warrants were redeemed and cancelled. These new ordinary shares and converted A shares represent Ordinary Shares for the purposes of the loss per share calculation from their date of issuance, 4 July 2024 which will be reflected in the EPS calculation presented in the Company's interim accounts for the period to 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. LOSS PER ORDINARY SHARE (CONTINUED)

Refer to Note 14 (warrant liability) and Note 18 (share-based payments) for instruments that could potentially dilute basic EPS in the future.

	Year ended 30 June 2024	Year ended 30 June 2023
Loss attributable to owners of the parent (£'s)	(2,971,103)	(3,527,899)
Weighted average in issue	12,700,000	12,700,000
Basic and diluted loss per ordinary share (£'s)	(0.2339)	(0.2778)

10. 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 subsidiaries as at 30 June 2024:

Company name	Nature of business	Country of incorporation	Ordinary Shares held directly by parent
MAC II (BVI) Limited	Incentive vehicle	British Virgin Islands	100%
MAC II UK Limited	Holding Company	England	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 18.

MAC II UK Limited was incorporated on 13 May 2024. The registered office of MAC II UK Limited is 11 Buckingham Street, London, United Kingdom, WC2N 6DF.

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 and has a UK Establishment address at 11 Buckingham Street, London, WC2N 6DF.

There are no restrictions on the parent company's ability to access or use the assets and settle the liabilities of the parent company's subsidiary.

11. OTHER RECEIVABLES

	As at 30 June 2024 £'s	As at 30 June 2023 £'s
Amounts receivable within one year:		
Prepayments	104,769	20,689
Deferred costs	903,127	-
Due from related party (Note 19)	1	1
VAT receivable	62,062	214,930
	<u>1,069,959</u>	<u>235,620</u>

An amount of £903,127 (2023: £Nil) is included in deferred costs as it directly relates to the potential issuance of share capital and therefore, on issuance of the New Ordinary Shares on 4 July 2024, was reflected in equity. Further details are set out in the critical accounting judgements in Note 3 and under post balance sheet events in Note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. OTHER RECEIVABLES (CONTINUED)

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.

12. CASH AND CASH EQUIVALENTS

	As at 30 June 2024 £'s	As at 30 June 2023 £'s
Cash and cash equivalents		
Cash at bank	6,461,475	7,783,448
	6,461,475	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.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2024 £'s	As at 30 June 2023 £'s
Amounts falling due within one year:		
Trade payables	376,645	165,661
Due to a related party (Note 19)	635,213	179,192
Accruals	1,866,209	158,602
Other tax liabilities	43,456	30,345
Other creditors	623,615	3,039
A1 ordinary share liability (Note 18)	65,400	65,400
	3,610,538	602,239

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

As at 30 June 2024 other creditors includes £623,068 (2023: £Nil) in respect of cash received into the Company's bank account as part of the issuance of 30 million New Ordinary Shares. These shares were subject to admission no later than 4 July 2024, and before this point their issue was revocable by the Company, and as such has been recorded as a liability to the Company at 30 June 2024.

Accruals includes amounts of £842,627 for fees payable in respect of the Placing and Subscription for issue of 30,000,000 New Ordinary Shares on 28 June 2024, and £929,334 in relation to acquisition of InvestAcc. As at 30 June 2024 management deem these fees highly probable and as such have been recorded as a liability.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. 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	14,000
Warrant liability – A warrants	240,000
<i>Total fair value movement</i>	<u>254,000</u>
Fair value of warrants at 30 June 2023	<u>2,667,000</u>
<i>Fair value movement of warrants:</i>	
Warrant liability - ordinary warrants	21,000
Warrant liability – A warrants	(600,000)
<i>Total fair value movement</i>	<u>(579,000)</u>
Fair value of warrants at 30 June 2024	<u>2,088,000</u>

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 prior to or in conjunction with the Company's Business Acquisition. 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 instrument. 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 warrant instruments and A warrant instruments 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.

As set out with the critical accounting estimates note, a different approach to valuing the ordinary warrants and A warrants has been used at year end. In prior years, both the ordinary warrant and Ordinary Share and A warrant and A share have been valued at a combined price of £1. However, at the year end, the market value of £1 per ordinary share has been used, being the price that the New Ordinary Shares were subscribed for without any matching warrants. As the A shares were converted into Ordinary Shares, and the matching A warrants surrendered and cancelled on 4 July 2024 it is not appropriate to value the A shares at £1 at year end, instead, the Company has continued to use an aggregate value of £1 for an A shares and A warrant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. WARRANT LIABILITY (CONTINUED)

At 30 June 2024, the fair value of the Warrant Instrument was assessed as 24p per warrant and the fair value of the A Warrant Instrument was assessed as 16p per warrant. The result of change in fair value of the warrants is a fair value gain of £579,000 (2023: loss of £254,000). The Directors are responsible for determining the fair value of the warrants at each reporting date, the underlying calculations are prepared by Deloitte LLP.

On 4 July 2024, the Company announced the successful placing of and subscription for 30 million New Ordinary Shares, at a price of £1 per share. On this date the Company also announced that the 12,000,000 A Warrants then in issue has been surrendered and cancelled. See Note 22 for further details.

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

	As at 30 June 2024	As at 30 June 2023
Underlying ordinary share price	£1	N/A
Combined price of ordinary share and ordinary warrant	N/A	£1
Combined price of A share and A warrant	£1	£1
Exercise price	£1	£1
Expected volatility	30.0%	30.0%
Risk free rate	4.10%	4.70%
Expected dividends	3.0%	0.0%
Expected term	5th anniversary of the completion of a Business Acquisition	5th anniversary of the completion of a Business Acquisition

15. STATED CAPITAL

	As at 30 June 2024	As at 30 June 2022
Issued and fully paid	£'s	£'s
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
Total	10,646,701	10,646,701

Under the Company's Memorandum of Association, the Company is authorised to issue an unlimited number of ordinary shares and 100 Sponsor Shares of no par value, divided into five classes as follows:

- an unlimited number of Ordinary Shares without par value
- an unlimited number of class A ordinary shares without par value
- an unlimited number of class B ordinary shares without par value
- an unlimited number of class C ordinary redeemable shares without par value
- 100 Sponsor Shares without par value

15. STATED CAPITAL (CONTINUED)

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 summary winding-up. Provided the holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), they have the right to appoint one director to the Board.

The Company must receive the prior consent of the holder of the Sponsor Share, where the holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company, in order to:

- Issue any further Sponsor Shares;
- issue any class of shares on a non pre-emptive basis where the Company would be required to issue such share pre-emptively if it were incorporated under the UK Companies Act 2006 and acting in accordance with the Pre-Emption Group's Statement of Principles; or
- amend, alter or repeal any existing, or introduce any new share-based compensation or incentive scheme in respect of the Group; and
- take any action that would not be permitted (or would only be permitted after an affirmative shareholder vote) if the Company were admitted to the Premium Segment of the Official List.

The Sponsor Share also confers upon the holder the right to require that: (i) any purchase of Ordinary Shares; or (ii) the Company's ability to amend the Memorandum and Articles, be subject to a special resolution of members whilst the Sponsor (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares) or are a holder of Incentive Shares.

As set out in note 22, the A shares were converted into Ordinary Shares effective 4 July 2024 and therefore at the date of this report, the Company no longer has any A shares in issue.

16. 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 18.

17. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices in active markets for identical items;

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs, thus not derived from market data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the year they occur.

The Group has the following categories of financial instruments as at 30 June 2024:

	As at 30 June 2024 £'s	As at 30 June 2023 £'s
Financial assets measured at amortised cost		
Cash and cash equivalents (Note 12)	6,461,475	7,783,448
Due from related party (Note 19)	1	1
	6,461,476	7,783,449
Financial liabilities measured at amortised cost		
Trade payables (Note 13)	376,645	165,661
Due to related party (Note 19)	635,213	179,192
Accruals (Note 13)	1,866,209	158,602
Other creditors	623,068	-
A1 ordinary share liability (Note 18)	65,400	65,400
	3,566,535	568,855
Financial liabilities measured at measure at fair value to profit and loss		
Warrant Liability (Note 14)	2,088,000	2,667,000
	2,088,000	2,667,000

All financial instruments are classified as current assets and current liabilities. There are no non-current financial instruments as at 30 June 2024.

For details of the fair value hierarchy, valuation techniques, and significant unobservable inputs related to determining the fair value of the warrant liability, which is classified in level 3 of the fair value hierarchy, refer to Note 14.

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.

Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are focussed on maximising the interest earned by the Group on its cash deposits (refer note 12) through effective management of the amount available to be placed on deposit being cognisant of the ongoing working capital requirements of the Group. Any movement in interest rates will not have a significant effect on the Group or its ability to continue to pursue its stated strategy and such movements are therefore not considered to be a material risk to the Group.

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. The Directors have reviewed the risk of holding a singular concentration of assets as predominantly all credit assets held are cash and cash equivalents, however, do not deem this a material risk. The risk is mitigated by all cash and cash equivalents being held with Barclays Bank plc, which holds a short-term credit rating of P-1 (2023: P-1), as issued by Moody's.

18. 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.

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.

Mark Hodges, Will Self, and James Pearce were issued A1 Shares on 19 June 2022, 5 June 2023, and 22 May 2024 respectively. James Pearce's shares will only commence vesting when he is made a permanent employee of the Group.

Preferred Return

The incentive arrangements are subject to the Company's shareholders achieving a preferred return. Up until 27 June 2024, the preferred return was 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"). Effective 27 June 2024, the Preferred Return was increased to 10 percent. The LTIP including the Preferred Return are described in the prospectus available on the Company's website (www.marwynac2.com/investors).

Incentive Value

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

Grant date

The grant date of the Incentive Shares will be 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 Financial Statements.

18. SHARE-BASED PAYMENTS (CONTINUED)

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 and earlier than the seventh anniversary of the Acquisition;
- ii. a sale of all or substantially all of the revenue or net assets of the business of the Subsidiary in combination with the distribution of the net proceeds of that sale to the Company and then to its shareholders;
- iii. a sale of all of the issued Ordinary Shares of the Subsidiary or a merger of the Subsidiary in combination with the distribution of the net proceeds of that sale or merger to the Company's shareholders;
- iv. where by corporate action or otherwise, the Company effects an in-specie distribution of all or substantially all of the assets of the Group to the Company's shareholders;
- v. aggregate cash dividends and cash capital returns to the Company's Shareholders are greater than or equal to aggregate subscription proceeds received by the Company;
- vi. a winding-up of the Company;
- vii. a winding-up of the Subsidiary; or
- viii. a sale, merger or change of control of the Company.

If any of the vesting conditions described in paragraphs (ii) to (viii) above are satisfied before the third anniversary of the initial acquisition, the Incentive Shares will be treated as having vested in full.

Holding of Incentive Shares

MLTI, Mark Hodges, Will Self and James Pearce (subject to being made a permanent employee) hold Incentive Shares entitling them 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. SHARE-BASED PAYMENTS (CONTINUED)

The following shares were in issue at 30 June 2024:

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
22 May 2024	James Pearce	A1	£0.01	26.65	400	10,660	36,094

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 cumulative unrestricted market value at grant date is equal to the tax paid value of the shares. Under the terms of their subscription agreements, the tax value paid by Mark Hodges and Will Self is payable to them in certain circumstances; accordingly, the cumulative unrestricted market value at grant date of their A1 shares, £65,400, is recognised as an A share liability (2023: £65,400), being the tax paid value of the shares. 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
22 May 2024	James Pearce	A1	30%	4.1%	7.5

*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 £43,510 (2023: £30,512) has been recognised in the Statement of Comprehensive Income in respect of the Incentive Shares in issue during the year. 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

18. SHARE-BASED PAYMENTS (CONTINUED)

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.

Under the terms of James Pearce's subscription letter, the A1 Shares that he has subscribed for will be transferred to the Company at a price of 1p per share should James not be made a permanent employee of the Group prior to the expiration of his fixed term contract. As James is not yet a permanent employee, no expense has been recognised in year in relation his shares.

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.

19. RELATED PARTY TRANSACTIONS

James Corsellis has served as a director of the Company during the year and Antoinette Vanderpuije is the Company Secretary of the Company. Funds managed by MIM LLP, of which James Corsellis is the Chief Investment Officer, and Antoinette Vanderpuije is a partner, held 75 per cent. of the Company's issued Ordinary Shares and warrants and 100% of the A shares and A warrants at the year end date as well as the Sponsor Share. The £1 due for, the Sponsor Share remains unpaid at the year end (2023: unpaid). As set out in Note 22 of these Financial Statements, the Company issued 30,000,000 New Ordinary Shares on 4 July 2024, of which 16,688,667 were issued to MIM LLP and as part of this transaction the 12,000,000 A shares in issue were converted to Ordinary Shares and the matching A warrants surrendered and cancelled. As a result, as at the date of this report MIM LLP manages 68.4% of the Company's Ordinary Shares and 1 sponsor share, with the ordinary shareholding expected to fall to 59.8% upon issue of the Consideration Shares. As at 30 June 2024, funds managed by MIM LLP had paid the Company £73,068 (2023: £Nil) in respect of the placing of the additional 30,000,000 shares. These shares were subject to admission no later than 4 July 2024, and before this point their issue was revocable by the Company. As such the £73,068 is recorded on the Company's Balance Sheet within Other Creditors.

As at 30 June 2024 Will Self had paid the Company £50,000 (2023: £Nil) in respect of shares. These shares were subject to admission no later than 4 July 2024, and before this point their issue was revocable by the Company: as such the £50,000 is recorded on the Company's Balance Sheet within Other Creditors.

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 18.

Mark Hodges, Will Self, and James Pearce have a direct interest in the A1 Ordinary Shares issued by MAC II (BVI) Limited, as disclosed in Note 18.

James Corsellis is also the managing partner of Marwyn Capital LLP ("MCLLP"), 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 £52,350 per calendar month (£50,000 up to December 2023) is charged for the provision of the corporate finance services, and managed services support is charged on a time spent basis. The total amount of charges incurred, inclusive of VAT, in the year ended 30 June 2024 by MCLLP for services was £1,321,395 (2023: £762,795); they had incurred expenses on behalf of the Company of £65,497 (2023: £92,425); and the aggregate amount due to MCLLP at year end was £635,213 (2023: £179,192). The total amount of charges incurred in the year ended 30 June 2024 included one-off corporate finance service fees of £360,000 (2023: £Nil), and one-off managed service fees of £180,747 (2023: £Nil) in respect of Acquisition related fees.

On the 21 June 2024 the Company entered into a new corporate services and advisory agreement with MCLLP, which includes the provision of strategic company secretarial services, including LSE/FCA compliance (with Antoinette Vanderpuije serving as the named company secretary) for an annual fee of £150,000. MCLLP's additional roles include M&A, research and due diligence support, as well as equity capital markets support, M&A execution and project management of workstreams. Fees for these services will be agreed on a project-by-project basis prior to the start of the specific workstream. Until such time that the Company becomes self sufficient, MCLLP will provide company secretarial and corporate governance, reporting, human resources and other administrative support billed on a time cost basis. MCLLP also provides the Company's current office and

19. RELATED PARTY TRANSACTIONS (CONTINUED)

infrastructure with no fee for the first 12 months, after which the fee will be reviewed semi-annually or such time as the parties agree. The new agreement was effective on admission, which was the 4 July 2024.

The Company has been recharged costs associated with provision of project services of £Nil (2023: £10,750 due to the Company) inclusive of VAT from Marwyn Acquisition Company III Limited ("MAC III"), of which £Nil (2023: £Nil) was due to the Company at year end. MAC III is related to the Group through James Corsellis being the chairman of MAC III during the year.

Directors' emoluments, in relation to Mark Hodges, Will Self, Cathryn Riley, and James Pearce, are disclosed in Note 5 with details of Incentive Shares issued are outlined in Note 18.

Subsequent to the year end, the Company has entered a service agreement with James Corsellis under which he will receive an annual fee of £75,000.

20. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 30 June 2024 (2023: £Nil) that require disclosure or adjustment in these Financial Statements.

21. INDEPENDENT AUDITOR'S REMUNERATION

Audit fees payable for the year ended 30 June 2024 are £24,580 (2023: £23,000). Fees payable for the year ended 30 June 2024 in respect of any non-audit related procedures are £Nil (2023: £Nil).

22. POST BALANCE SHEET EVENTS

On 27 June 2024, the Company's wholly owned subsidiary, MAC II UK Limited, agreed to acquire 100 per cent. of the issued share capital of InvestAcc a leading pensions service provider for £41.5 million representing an enterprise value of approximately £36 million on an Acquisition basis. InvestAcc is a company incorporated, managed and controlled in the UK. The Acquisition is subject to FCA approval, which has not yet been received, and therefore at the date of signing these financial statements the Company had not completed the Acquisition. It is anticipated that completion will take place in Q3 or Q4 of this calendar year.

The Company has financed the Acquisition through a placing of Ordinary Shares and existing cash resources. On 4 July 2024, the Company announced the successful placing of and subscription for 30,000,000 New Ordinary Shares, at a price of £1 per share. On this date the Company also announced that the 12,000,000 unlisted A Shares then in issue has been converted into Ordinary Shares and the 12,000,000 A Warrants then in issue has been surrendered and cancelled. As at the date of signing these Financial Statements, the Company has in issue 42,700,000 Ordinary Shares of no par value.

As part of the placing, Will Self subscribed for 50,000 Ordinary Shares and Mark Hodges subscribed for 150,000 Ordinary Shares.

Conditional upon the completion of the Acquisition, a further 6,150,911 consideration shares will be admitted to trading on the standard segment of the Official List and to Transition Category of the London Stock Exchange.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Company Secretary

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