MARWYN
MAC Alpha

MAC ALPHA LIMITED

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

MARWYN

MAC Alpha

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We present to shareholders the unaudited condensed consolidated financial statements of MAC Alpha Limited (the "**Company**") for the six months to 31 December 2023 (the "**Interim Financial Statements**"), consolidating the results of MAC Alpha Limited and its subsidiary MAC Alpha (BVI) Limited (collectively, the "**Group**" or "**MAC**").

Strategy

The Company was incorporated on 11 October 2021 and subsequently listed on the Main Market of the London Stock Exchange on 24 December 2021. The Company has been formed for the purpose of effecting a merger, share exchange, asset acquisition, share or debt purchase, reorganisation, or similar business combination with one or more businesses. The Company's objective is to generate attractive long term returns for shareholders and to enhance value by supporting sustainable growth, acquisitions, and performance improvements within the acquired companies.

While a broad range of sectors will be considered by the Directors, those which they believe will provide the greatest opportunity and which the Company will initially focus on include:

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

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

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

Activity

During the period the Directors have engaged with a number of potential management teams, attracted by the Company's flexible structure and main market listing. Desktop due diligence has been conducted on sectoral opportunities in which the prospective management teams have extensive experience. While none of these opportunities have yet progressed to the appointment of a management partner, or completing a platform acquisition, discussions remain active.

Results

The Group's loss after taxation for the period to 31 December 2023 was £137,174 (31 December 2022: loss of £170,297). The Group held a cash balance at the period end of £391,116 (as at 30 June 2023: £554,446).

Directors

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

James Corsellis (Chairman)
Antoinette Vanderpuije
Tom Basset

Dividend Policy

The Company has not yet acquired a trading business and it is therefore inappropriate to make a forecast of the likelihood of any future dividends. The Directors intend to determine the Company's dividend policy following completion of an acquisition and, in any event, will only commence the payment of dividends when it becomes commercially prudent to do so.

Corporate Governance

As a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code and given the size and nature of the Group the Directors have decided not to adopt the UK Corporate Governance Code. Nevertheless, the Board is committed to maintaining high standards of corporate governance and will consider whether to voluntarily adopt and comply with the UK Corporate Governance Code as part of any acquisition, taking into account the Company's size and status at that time.

The Company currently complies with the following principles of the UK Corporate Governance Code:

- The Company is led by an effective and entrepreneurial board of directors (''**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.

Given the size and nature of the Company, the Board has not established any committees and intends to make decisions as a whole. If the need should arise in the future, for example following any acquisition, the Board may set up committees and may decide to adopt the UK Corporate Governance Code.

Risks

The Directors have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity. There have been no significant changes to the principal risks described on in the Group's Audited Annual Report and Consolidated Financial Statements for the year ended 30 June 2023. The Directors are of the opinion that the risks detailed therein are applicable to the six-month period to 31 December 2023, as well as the remaining six months of the current financial year.

Outlook

The Board is steadfast in its commitment to a strategic approach that balances patience with proactive engagement. As we navigate an M&A environment that continues to evolve, especially regarding valuations and the availability and cost of capital, our focus remains sharply on identifying the most promising management partnerships and investment opportunities. The public status and structure of our Company uniquely position us to adapt and capitalise on these evolving opportunities, which we continue to progress.

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

(a) these Interim Financial Statements, which have been prepared in accordance with IAS 34 "**Interim Financial Reporting**" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

(b) these Interim Financial Statements comply with the requirements of DTR 4.2.

Neither the Company nor the Directors accept any liability to any person in relation to the interim financial report except to the extent that such liability could arise under applicable law.

Details on the Company's Board of Directors can be found on the Company website at www.mac-alpha.com.

James Corsellis
Chairman
13 March 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 31 December 2023 Unaudited £	Six months ended 31 December 2022 Unaudited £
Administrative expenses	6	(149,240)	(172,048)
Total operating loss		**(149,240)**	**(172,048)**
Finance income		12,066	1,751
Loss before income taxes		**(137,174)**	**(170,297)**
Income tax		-	-
Loss for the period		**(137,174)**	**(170,297)**
Total other comprehensive income		-	-
Total comprehensive loss for the period		**(137,174)**	**(170,297)**
Loss per ordinary share			
Basic and Diluted (£'S)	7	(0.1055)	(0.2433)

The Group's activities derive from continuing operations.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2023 Unaudited £	As at 30 June 2023 Audited £
Assets			
Current assets			
Other receivables	9	17,606	6,621
Cash and cash equivalents	10	391,116	554,446
Total current assets		408,722	**561,067**
Total assets		**408,722**	**561,067**
Equity and liabilities			
Equity			
Ordinary shares	12	319,000	319,000
A shares	12	498,000	498,000
Sponsor share	12	1	1
Warrant reserve	12, 13	105,000	105,000
Warrant reserve A shares	12, 13	102,000	102,000
Share-based payment reserve	13, 15	67,516	67,516
Accumulated losses	13	(726,680)	(589,506)
Total equity		**364,837**	**502,011**
Current liabilities			
Trade and other payables	11	43,885	59,056
Total liabilities		**43,885**	**59,056**
Total equity and liabilities		**408,722**	**561,067**

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

The Interim Financial Statements were approved by the Board of Directors on 13 March 2024 and were signed on its behalf by:

James Corsellis
Chairman

Tom Basset
Non-Executive Director

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	Ordinary shares	A Shares	Sponsor Share	Warrant reserve	Warrant reserve A shares	Share Based Payment Reserve	Accumulated losses	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 July 2022	319,000	-	1	105,000	-	67,516	(266,043)	**225,474**
Total comprehensive loss for the period	-	-	-	-	-	-	(170,297)	**(170,297)**
Balance as at 31 December 2022	**319,000**	**-**	**1**	**105,000**	**-**	**67,516**	**(436,340)**	**55,177**

	Ordinary shares	A Shares	Sponsor Share	Warrant reserve	Warrant reserve A shares	Share Based Payment Reserve	Accumulated losses	Total Equity
	£	£	£	£	£	£	£	£
Balance at 1 July 2023	319,000	498,000	1	105,000	102,000	67,516	(589,506)	**502,011**
Total comprehensive loss for the period	-	-	-	-	-	-	(137,174)	**(137,174)**
Balance as at 31 December 2023	**319,000**	**498,000**	**1**	**105,000**	**102,000**	**67,516**	**(726,680)**	**364,837**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 31 December 2023 Unaudited	Six months ended 31 December 2022 Unaudited
		£	£
Operating activities			
Loss for the period		(137,174)	(170,297)
Adjustments to reconcile total operating loss to net cash flows:			
Finance income		(12,066)	(1,751)
Working capital adjustments:			
Increase in trade and other receivables and prepayments		(10,985)	(14,587)
Decrease in trade and other payables		(15,171)	(15,609)
Net cash flows used in operating activities		**(175,396)**	**(202,244)**
Investing activities			
Interest received		12,066	1,751
Net cash flows received from investing activities		**12,066**	**1,751**
Net decrease in cash and cash equivalents		(163,330)	(200,493)
Cash and cash equivalents at the beginning of the period		554,446	282,244
Cash and cash equivalents at the end of the period	10	**391,116**	**81,751**

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

1. GENERAL INFORMATION

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

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

2. ACCOUNTING POLICIES

(a) Basis of preparation

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

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report and Consolidated Financial Statements for the year ended 30 June 2023 ("**2023 Annual Report**"), which is available on the Company's website, www.mac-alpha.com. Accounting policies applicable to these Interim Financial Statements are consistent with those applied in the 2023 Annual Report.

(b) Going concern

The Interim Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due within the next 12 months from the date of approval. The Directors have considered the financial position of the Group and have reviewed forecasts and budgets for a period of at least 12 months following the approval of the Interim Financial Statements.

The Group had cash resources of £391,116 (30 June 2023: £554,446) at 31 December 2023 and net assets of £364,837 (30 June 2023: £502,011). The Company has sufficient resources to continue to pursue its investment strategy.

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

On 16 December 2021, the Company entered into a forward purchase agreement ("**FPA**") with Marwyn Value Investors II LP (''**MVI II LP**'') of up to £20 million, which may be drawn for general working capital purposes and to fund due diligence costs. Any drawdown is subject to the prior approval of MVI II LP and the satisfaction of conditions precedent. As at 31 December 2023, the Company has drawn down £600,000 under the FPA. Whilst the FPA provides a mechanism for the Company to raise additional funds, as any drawdown is not under the exclusive control on the Company, all cashflow and working capital forecasts have been prepared without any further draw down on the FPA being assumed.

2. ACCOUNTING POLICIES (CONTINUED)

The Directors have considered macroeconomic backdrop and the ongoing operating costs expected to be incurred by the business over at least the next 12 months. Based on their review the Directors have concluded that there are no material uncertainties relating to going concern of the Group and as such the Interim Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due within the next 12 months from the date of approval of the Interim Financial Statements.

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

Standards, amendments and interpretations effective and adopted by the Group

IFRSs applicable to the Interim Financial Statements of the Group for the six-month period to 31 December 2023 have been applied.

Standards issued but not yet effective

The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not currently expected that these standards will have a material impact on the Group.

Standard	**Effective date**
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7*);	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1);	1 January 2024
Amendments to IFSR 16 – Lease liability in sale and leaseback;	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*; and	1 January 2024
Amendments to IAS 21 Lack of Exchangeability.	1 January 2025

*Subject to EU endorsement

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Significant estimates and accounting judgements

Classification of warrants

On 24 December 2021, the Company issued 700,000 ordinary shares and matching warrants ("**Warrants**"). 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. On 5 March 2023, the Company issued 600,000 A shares and matching Class A Warrants ("**A Warrants**") on the basis of one Class A Warrant per A Share at a price of £1 per share. The Warrants and A Warrants are exercisable at any time until five years after the IPO date, being 24 December 2021.

The Warrants and A Warrants can only be classified as equity if they will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. The warrant instruments contain an exercise price adjustment ("**Exercise Price Adjustment**"), whereby if the corresponding shares are issued at less than £1 before or as part of an acquisition then the exercise price equals the discounted

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

issue price, as a result the fixed-for-fixed requirement is breached. However, it is the opinion of the Directors that whilst the Exercise Price Adjustment exists, the likelihood of this being used is remote, and therefore it is most appropriate for the Warrants and A Warrants to be classified as 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 considers the Group as a whole for the purposes of assessing performance and allocating resources, and therefore the Group has one reportable operating segment.

5. EMPLOYEES AND DIRECTORS

The Group does not have any employees. During the six months to 31 December 2023, the Company had three serving Directors: James Corsellis, Antoinette Vanderpuije and Tom Basset, no Director received remuneration under the terms of their Director service agreements (31 December 2022: 4 directors and £Nil). The Company's subsidiary has issued Incentive Shares, as more fully disclosed in Note 15, in which the Directors are indirectly beneficially interested.

6. ADMINISTRATIVE EXPENSES

	For six months ended 31 December 2023 £	For six months ended 31 December 2022 £
Group expenses by nature		
Professional support	139,196	144,089
Non-recurring project, professional and due diligence costs	-	15,798
Audit fees payable in respect of the audit of the Group	9,057	7,696
Other expenses	987	4,465
	149,240	**172,048**

7. LOSS PER ORDINARY SHARE

Basic EPS is calculated by dividing the profit/ loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The weighted average number of shares has not been adjusted in calculating diluted EPS as there are no instruments which have a current dilutive effect.

The Company maintains different share classes, of which ordinary shares, A shares and sponsor shares were in issue in the current period, and ordinary shares and sponsor shares were in issue in the prior period. The key difference between ordinary shares and A shares is that the ordinary shares are traded with voting rights attached and the A shares are not listed and do not carry voting rights. The ordinary share and A share classes both have equal rights to the residual net assets of the Company, which enables them to be considered collectively as one class per the provisions of IAS 33.

The sponsor share has no distribution rights so has been ignored for the purposes of IAS 33.

Refer to Note 15 (share based payments) for instruments that could potentially dilute basic EPS in the future.

7. LOSS PER ORDINARY SHARE (CONTINUED)

	For six months ended 31 December 2023	For six months ended 31 December 2022
Loss attributable to owners of the parent (£'s)	(137,174)	(170,297)
Weighted average in issue	1,300,000	700,000
Basic and diluted loss per ordinary share (£'s)	(0.1055)	(0.2433)

8. INVESTMENTS

Principal subsidiary undertakings of the Group

The Company directly owns the whole of the issued ordinary share capital of its subsidiary undertaking. Details of the Company's subsidiary are presented below:

Subsidiary	Nature of business	Country of incorporation	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group
MAC Alpha (BVI) Limited	Incentive vehicle	BVI	100%	100%

The share capital of MAC Alpha (BVI) Limited consists of both ordinary shares and A ordinary shares (the "**Incentive Shares**"). The Incentive Shares are held by Marwyn Long Term Incentive LP (''**MLTI**'') and are non-voting. Further detail on the Incentive Shares is given in Note 15.

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

9. OTHER RECEIVABLES

	As at 31 December 2023 £	As at 30 June 2023 £
Amounts receivable in one year:		
Prepayments	17,606	6,621
	17,606	**6,621**

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.

10. CASH AND CASH EQUIVALENTS

	As at 31 December 2023 £	As at 30 June 2023 £
Cash and cash equivalents		
Cash at bank	391,116	554,446
	391,116	**554,446**

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.

11. TRADE AND OTHER PAYABLES

	As at 31 December 2023 £	As at 30 June 2023 £
Amounts falling due within one year:		
Trade payables	12,609	5,430
Accruals	19,785	42,116
Due to a related party (Note 16)	11,491	11,510
	43,885	**59,056**

There is no material difference between the book value and the fair value of the trade and other payables. All trade payables are non-interest bearing and are usually paid within 30 days.

12. STATED CAPITAL

Authorised

Unlimited ordinary shares of no par value
Unlimited A shares of no par value
Unlimited B shares of no par value
100 sponsor shares of no par value

	As at 31 December 2023 £	As at 30 June 2023 £
Issued		
700,000 ordinary shares of no par value	319,000	319,000
600,000 A shares of no par value	498,000	498,000
1 sponsor share of no par value	1	1

12. STATED CAPITAL (CONTINUED)

On incorporation, the Company issued 1 ordinary share of no par value to MVI II Holdings I LP. On 28 October 2021, it was resolved that updated memorandum and articles ("**Updated M&A**") be adopted by the Company and with effect from the time the Updated M&A be registered with the Registrar of Corporate Affairs in the British Virgin Islands, the 1 ordinary share which was in issue by the Company be redesignated as 1 sponsor share of no par value (the "**Sponsor Share**").

On 24 December 2021, the Company issued 700,000 ordinary shares and matching Warrants at a price of £1 for one ordinary share and matching Warrant. Under the terms of the warrant instrument, warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share. Warrants are accounted for as equity instruments under IAS 32 and are measured at fair value at grant date, the combined market value of one ordinary share and one warrant was considered to be £1, in line with the market price paid by third party investors. A Black Scholes option pricing methodology was used to determine the fair value of the Warrants, which considered the exercise price, expected volatility, risk free rate, expected dividends, and expected term. Warrants have been assigned a fair value of 15p per Warrant and each ordinary share has been valued at 85p per share, therefore, on issuance of the Warrants £105,000 was recorded in the warrant reserve. Costs of £276,000 directly attributable to the equity raise were taken against stated capital at the issuance date.

On 5 March 2023, the Company issued 600,000 A shares and matching A Warrants at a price of £1 for one A share and matching A Warrant. Under the terms of the warrant instrument, warrant holders are able to acquire one A share per warrant at a price of £1 per A share. A Warrants are accounted for as equity instruments under IAS 32 and are measured at fair value at grant date, the combined market value of one A share and one A Warrant was considered to be £1, in line with the market price paid by third party investors. A Black Scholes option pricing methodology was used to determine the fair value of the A Warrants, which considered the exercise price, expected volatility, risk free rate, expected dividends, and expected term. A Warrants have been assigned a fair value of 17p per A Warrant and each A share has been valued at 83p per share, therefore, on issuance of the Warrants £102,000 was recorded in the warrant reserve. There were no costs directly attributable to the issue of shares.

Holders of ordinary shares are entitled to receive notice and attend and vote at any meeting of members and have the right to a share in any distribution paid by the Company and a right to a share in the distribution of the surplus assets of the Company on a winding up. The A Shares are ordinary equity shares with the same economic rights as the Company's ordinary shares but without voting rights.

The Sponsor Share confers upon the holder no right to receive notice and attend and vote at any meeting of members, no right to any distribution paid by the Company and no right to a share in the distribution of the surplus assets of the Company on a winding up. Provided the holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), they have the right to appoint one director to the Board.

Provided the holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares) or is a holder of incentive shares the Company must receive the prior consent of the holder of the Sponsor Share in order to:

i. issue any further Sponsor Shares;
ii. 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
iii. amend, alter, or repeal any existing, or introduce any new share-based compensation or incentive scheme in respect of the Group; and

12. STATED CAPITAL (CONTINUED)

i. take any action that would not be permitted (or would only be permitted after an affirmative shareholder vote) if the Company were admitted to the Premium Segment of the Official List.

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

13. 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 15.

Warrant reserve
The warrant reserve is the cumulative fair value attributed to warrants issued attached to ordinary shares.

Warrant reserve A shares
The warrant reserve is the cumulative fair value attributed to warrants issued attached to A shares.

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Group has the following categories of financial instruments:

	As at 31 December 2023 £	As at 30 June 2023 £
Financial assets measured at amortised cost		
Cash and cash equivalents (Note 10)	391,116	554,446
	391,116	**554,446**
Financial liabilities measured at amortised cost		
Trade and other payables (Note 11)	32,394	47,546
Due to a related party (Note 16)	11,491	11,150
	43,885	**59,056**

The fair value and book value of the financial assets and liabilities are materially equivalent.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group which primarily relate to movements in interest rates.

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

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.

15. SHARE-BASED PAYMENTS

Management Long Term Incentive Arrangements

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

The LTIP will only reward the participants if shareholder value is created. This ensures alignment of the interests of management directly with those of Shareholders. As at the balance sheet date, an executive management team is not yet in place and as such MLTI is the only participant in the LTIP. Any future issuances of Incentive Shares to management will be dilutive to MLTI. Under the LTIP, Incentive Shares are issued by MAC Alpha (BVI) Limited (the "**Subsidiary**").

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

Preferred Return

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

Incentive Value

Subject to a number of provisions detailed below, if the Preferred Return and at least one of the vesting conditions have been met, the holders of the Incentive Shares can give notice to redeem their Incentive Shares for ordinary shares in the Company ("**Ordinary Shares**") for an aggregate value equivalent to 20 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.

Redemption / Exercise

Unless otherwise determined and subject to the redemption conditions having been met, the Company and the holders of the Incentive Shares have the right to exchange each Incentive Share for Ordinary Shares in the Company, which will be dilutive to the interests of the holders of Ordinary Shares. However, if the Company has sufficient cash resources and the Company so determines, the Incentive Shares may instead be redeemed for cash. It is currently expected that in the ordinary course of business, 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.

15. SHARE-BASED PAYMENTS (CONTINUED)

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. whereby corporate action or otherwise, the Company effects an in-specie distribution of all or substantially all of the assets of the Group to the Company's shareholders;

v. aggregate cash dividends and cash capital returns to the Company's Shareholders are greater than or equal to aggregate subscription proceeds received by the Company;

vi. a winding-up of the Company;

vii. a winding-up of the Subsidiary; or

viii. a sale, merger or change of control of the Company.

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

Holding of Incentive Shares

MLTI holds Incentive Shares entitling it in aggregate to 100 per cent. of the Incentive Value. Any future management partners or senior executive management team members receiving Incentive Shares will be dilutive to the interests of existing holders of Incentive Shares, however the share of the Growth of the Incentive Shares in aggregate will not increase.

The following shares were issued on 25 November 2021.

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

Valuation of Incentive Shares

A valuation of the incentive shares has been prepared by Deloitte LLP dated 25 November 2021 to determine the fair value of the Incentive Shares in accordance with IFRS 2 at grant date.

15. SHARE-BASED PAYMENTS (CONTINUED)

There are significant estimates and assumptions used in the valuation of the Incentive Shares. Management has considered at the grant date, the probability of a successful first acquisition by the Company and the potential range of value for the Incentive Shares, based on the circumstances on the grant date.

The fair value of the Incentive Shares granted under the scheme was calculated using a Monte Carlo model. The fair value uses an ungeared volatility of 25 per cent., and an expected term of seven years. The Incentive Shares are subject to the Preferred Return being achieved, which is a market performance condition, and as such has been taken into consideration in determining their fair value. A risk-free rate of 0.7 per cent. has been applied. The model incorporates a range of probabilities for the likelihood of an acquisition being made of a given size.

As the shares issued to MLTI were deemed to vest on issue, the full expense of £52,516 relating to the issue was recognised in the Statement of Comprehensive Income for the period ended 30 June 2022.

16. RELATED PARTIES

James Corsellis, Antoinette Vanderpuije and Tom Basset have served as directors of the company during the period. James Corsellis is the managing partner of MIM LLP, and Antoinette Vanderpuije and Tom Basset are partners of MIM LLP, MIM LLP is the manager of the Marwyn Fund, the Marwyn Fund holds 90% of the Company's issued ordinary share capital, 100% of the A ordinary shares and 1 Sponsor Share.

James Corsellis is the managing partner of Marwyn Capital LLP, and Antoinette Vanderpuije and Tom Basset are also partners. Marwyn Capital LLP provides corporate finance and managed services support including named company secretary, to the Company. On an ongoing basis a monthly fee of £10,000 per calendar month is charged for the provision of the corporate finance services, and managed services support is charged by Marwyn Capital LLP on a time spent basis. The total amount charged in the period ended 31 December 2023 by Marwyn Capital LLP was £78,900 (31 December 2022: £90,352) and they had incurred expenses on behalf of the Group, which were subsequently recharged, of £9,087 (31 December 2022: £84). An amount payable to Marwyn Capital LLP of £11,491 (31 December 2022: £12,724) was outstanding as at the period end.

17. COMMITMENTS AND CONTINGENT LIABILITIES

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

18. POST BALANCE SHEET EVENTS

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

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