



ANNUAL REPORT AND ACCOUNTS

for the year ended 31 December 2025

for

BAY CAPITAL PLC

**Incorporated and registered in Jersey under the Companies (Jersey) Law 1991
with registered number 134743**

BAY CAPITAL PLC
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For the year ended 31 December 2025

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BAY CAPITAL PLC
Company information
For the year ended 31 December 2025

DIRECTORS, SECRETARY AND ADVISERS

Directors	David Williams, Chairman Tony Morris, Non-Executive Director
Company Secretary	JTC (Jersey) Limited 28 Esplanade, St Helier Jersey JE2 3QA
Registered Office	28 Esplanade, St Helier Jersey JE2 3QA
Registered Number	134743
Independent Auditor	PKF Littlejohn LLP 30 Churchill Place London E14 5RE
Solicitors to the Company (UK)	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF
Solicitors to the Company (Jersey)	Ogier (Jersey) LLP 44 Esplanade, St Helier Jersey JE4 9WG
Principal Banker	Butterfield Bank (Jersey) Limited St Paul's Gate, New St, St Helier Jersey JE4 5PU
Registrar	MUFG Corporate Markets (Jersey) Limited IFC 5, St. Helier Jersey JE1 1ST
Strategic Adviser	Tessera Investment Management Limited 12 Hay Hill London W1J 8NR

BAY CAPITAL PLC
Chairman's statement
For the year ended 31 December 2025

CHAIRMAN'S STATEMENT

I am pleased to present the financial results for Bay Capital Plc ("Bay", or the "Company") and its subsidiary (together the "Group") for the year ended 31 December 2025.

Since establishing the Company in 2021, we have remained focused on implementing our strategy and continue to assess acquisition opportunities where we believe there to be sustainable growth potential either organically or through acquisition.

In November 2025, we announced the Company would be broadening its investment and acquisition strategy to include other, higher growth sectors outside of the original industrials thesis. This coincided with Peter Tom's retirement from the Board as Chair of the Company.

As a result of broadening our strategic focus, we have been able to develop a meaningful pipeline of executable opportunities that we are currently evaluating, and expect to advance over the first half of 2026.

I would like to take this opportunity to thank Peter for his stewardship of Bay during his time with us, and also once again thank our loyal shareholders for their continued support. We have entered 2026 with continued vigour and determination in targeting a successful conclusion of our inaugural transaction during the year and we look forward to updating shareholders in due course as our plans progress.

David Williams

Chairman

29 April 2026

BAY CAPITAL PLC
Report of the Directors
For the year ended 31 December 2025

REPORT OF THE DIRECTORS

The Directors of the Company present their report for the year ended 31 December 2025.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

For the financial year ended 31 December 2025, the Group and Company's principal activity were that of a holding group and company respectively. The Group and Company have actively pursued their strategy through the sourcing and assessment of acquisition and investment opportunities and in November 2025, broadened its strategic focus to higher growth sectors outside of the original industrials thesis.

RESULTS

During the year, Bay recorded a loss of £323,251 (2024: loss of £550,616) and the loss per share was 0.46p (2024: loss per share of 0.79p), reflecting moderate monthly operating expenses of the Group. The Group and Company had cash reserves at the end of the year of £4,338,374 (2024: £4,659,886).

DIVIDENDS

At this point in the Company's development, it does not anticipate declaring any dividends in the foreseeable future. As such, the Directors do not recommend the payment of a dividend for the year.

FUTURE DEVELOPMENTS

The Directors expect to continue to execute the Group's strategy in sourcing and assessing acquisition and investment opportunities across its stated sectors of focus.

KEY PERFORMANCE INDICATORS

The Board continues to focus on maximising shareholder value by sourcing, assessing and where in the interest of shareholders to do so, investing in and acquiring growing businesses within the industrial, construction and business services sectors.

Following completion of the Company's inaugural transaction, the Board will be in a position to identify and develop its key performance indicators for on-going monitoring and management.

GOING CONCERN

The Directors, having made due and careful enquiry, are of the opinion that the Group and Company have adequate working capital to execute their operations over the next 12 months. The Group and Company's unaudited cash balance as at 14 April 2026 was £4,237,470.31, and excluding the consummation of any investment or acquisition which will likely require specific funding, have adequate resources available to fund the on-going forecasted operating expenses for at least twelve months following approval of the financial statements. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in preparing the annual financial statements (see Note 2).

RISK MANAGEMENT

In order to execute the Group's strategy, the Company and its subsidiaries will be exposed to both financial and non-financial risks. The Board has overall responsibility for the Group's risk management and it is the Board's role to consider whether those risks identified by management are acceptable within the Group's strategy and risk appetite. The Board therefore periodically reviews the principal risks and considers how effective and appropriate the controls that management has in place to mitigate the risk exposure are and will make recommendations to management accordingly.

As the Company had not completed its first investment or acquisition in the period, it has limited financial statements and/or historical financial data, and limited trading history. As such, the Company during the period was subject to the risks and uncertainties associated with an early-stage acquisition company, including the risk that the Company will not achieve its investment objectives and that the value of an investment could decline and may result in the partial or complete loss of capital invested. The past performance of investee companies or assets managed by the Directors will not necessarily be a guide to future business, results of operations, financial condition or prospects of the Company.

In order to mitigate against these risks, the Directors will continue to undertake thorough due diligence on investment opportunities and acquisition targets, to a level considered reasonable and appropriate by the Company on a case-by-case basis, including the potential commissioning of third-party specialist reports as appropriate. Following completion of any investment or acquisition, it is intended that any investments or assets will be managed by the Directors and assisted by the Company's professional advisers.

Financial Risk Management

The Directors consider the Group to be exposed to the following financial risks:

- a. Price risk: the price paid for securities is subject to market movement that will have an impact on the operations of the Group;
- b. Cash flow interest rate risk: the Group has significant cash balances which exposed it to movement in the market interest rates; and
- c. Liquidity risk: the Group manages its cash requirements through detailed forecasting and planning for amount and timing of payments and receipts of interest income, to ensure cash resources are available when required.

Given the relatively small size and operation of the Group in the year, the Directors have not delegated the responsibility of risk monitoring to a sub-committee of the Board, but closely monitor the risks on a periodic basis. The Directors consider their exposure in the financial year to have been low. Refer to Note 14 for assessment of the risks arising from financial instruments.

Non-financial Risk Management

The non-financial risk factors for the year ended 31 December 2025 did not materially change from those set out in the Bay's Prospectus dated 27 September 2021.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

As the Company has not completed its first acquisition and has only two Directors, limited travel and no premises, the Directors do not consider any disclosure under the Task Force on Climate-related Financial Disclosures is required at this juncture, however the Company will continue to review this position as it executes its investment and acquisition strategy.

POLITICAL CONTRIBUTIONS

The Company has made no political contributions during the year.

CHARITABLE DONATIONS

The Company has made no charitable donations during the year.

POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events. See Note 20.

SHARE CAPITAL

Details of the Company's share capital is set out in Note 15. The Company's share capital consists of one class of ordinary share, which does not carry rights to fixed income. As at 31 December 2025, there were 70,000,000 ordinary shares of 1p par value each in issue.

SIGNIFICANT SHAREHOLDERS

As at 15 April 2026, the Company had been advised of the following notifiable interests (whether directly or indirectly held) in voting rights.

<i>Name</i>	<i>Shareholding</i>	<i>Percentage</i>
Pershing Nominees Limited	16,600,000	23.7%
David Williams	15,944,916	22.8%
Rock (Nominees) Limited	9,174,576	13.1%
Huntress (CI) Nominees Limited	4,514,980	6.5%
Hargreaves Lansdown (Nominees) Limited HLNOM Acct	3,498,992	5.0%
Securities Services Nominees Limited	3,183,000	4.6%
C I P M Nominees Limited	2,452,542	3.5%
Hargreaves Lansdown (Nominees) Limited 15942 Acct	2,129,467	3.0%

As at 15 April 2026 the Directors in aggregate held 16,194,916 ordinary shares, which represents 23.1 per cent. of the Company's issued share capital.

The Directors who held office during the year and their beneficial interest in the share capital of the Company at 31 December 2025 were as follows:

	<i>31 December 2025</i>
Hermco Property Limited*	-
David Williams	15,944,916
Tessera Investment Management Limited*	250,000
	<u>16,194,916</u>

* Peter Tom's shareholding was held via Hermco Property Limited and Tony Morris' shareholding is held via Tessera Investment Management Limited in which he has a 50% shareholding.

COMPANY DIRECTORS (BOARD)

The Directors during the year and summaries of their experience are set out below.

Peter Tom CBE Former Chairman (*resigned 27 November 2025*)

Peter is one of the aggregates industry's longest serving and most experienced executives, holding high-profile executive and non-executive roles serving publicly listed and private organisations in the industry, sport and the not-for-profit sector. He most recently served as Executive Chairman of Breedon Group, (LSE: BREE) the UK's largest independent aggregates business, which he co-founded with David Williams (a Director of the Company) and Simon Vivian in 2008. Under Peter's leadership, Breedon grew from a £13 million listed cash shell into a business worth £1.5 billion, leading the consolidation of the UK aggregates industry.

Prior to establishing Breedon, Peter was the Chief Executive Officer and latterly Non-Executive Chairman of Aggregate Industries, which he developed into a leading international building materials group before negotiating its sale to Holcim for £1.8 billion in 2005. His early career was spent at Bardon Hill Quarries, where he rose to become Chief Executive of the Bardon Group Plc in 1985. He went on to lead Bardon's merger with Evered Plc in 1991 and the enlarged group's subsequent merger with CAMAS in 1997 to form Aggregate Industries Plc.

In 2006, Peter was awarded a CBE for services to Business and Sport. He holds Honorary Degrees from both Leicester and De Montfort University and is President of Leicester Rugby Football Club, (Leicester Tigers) a role he has held for more than 20 years following a playing career comprising 130 appearances for the club as a lock forward between 1963 and 1968.

David Williams Chairman

David has significant experience in investment markets, serving as Chairman in executive and non-executive capacities for a number of public and private companies. He has overseen the development of these companies, raising in excess of £1 billion of capital to support both organic and acquisitive growth initiatives.

David was the original founder of Marwyn Capital LLP, the award-winning investment management company. David was also formerly Chairman of Entertainment One Ltd. (LSE: ETO), Zetar Plc, and Waste Recycling Group Plc, and Non-Executive Director of Breedon Group Plc (LSE: BREE). He currently serves as Non-Executive Chairman of Main Market listed Acceler8 Ventures Plc (LSE: AC8) and Red Capital Plc (LSE: REDC).

Tony Morris Non Executive Director (*appointed 28 November 2025*)

Tony has over 20 years' experience as principal and advisor in M&A, and equity capital markets and holds a number of directorships within public and private companies in an executive and non-executive capacity. He began his career in credit working within leveraged finance at Barclays, before moving to Marwyn Capital, a UK-based listed equity investor that backed consolidation strategies within numerous sectors including software, media and entertainment rights, support services and industrials.

In 2012, he co-founded Tessera, a strategic advisory firm that works with organisations and family offices in the development and execution of their acquisition and investment strategies, where he remains a director. Tony is Chairman of Michelmersh Brick Holdings Plc (AIM: MBH) and was also formerly a Non-Executive Director of Summerway Capital Plc.

DIRECTORS' REMUNERATION

The three Directors of the Company who held office during the year, Peter Tom, David Williams, and Tony Morris were each entitled to fees of £30,000, £20,000 and nil per annum for their respective roles within the Company. Following Peter Tom's retirement as Chair of the Company on 28 November 2025, David Williams was entitled to annual fees of £50,000 for his new role as Chair.

There were no other benefits paid to these Directors for their roles as Directors of the Company outside of their service fees, save for ordinary course reimbursable expenses properly incurred in the performing of their duties as Directors. The Company does not operate a pension scheme.

<i>Director</i>	<i>Salary</i>	<i>Benefits in kind</i>	<i>31 December 2025</i>
	<i>£</i>	<i>£</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Peter Tom CBE*	27,500	-	27,500
David Williams	22,500	-	22,500
Tony Morris	Nil	-	Nil
	50,000	-	50,000

* Peter Tom's fees were paid through Rise Rocks Limited, a company wholly owned by Peter Tom CBE. Peter Tom CBE resigned on 27 November 2025

In addition to the Director fees outlined above, the Directors are also participants in the Subco Incentive Scheme and holders of warrants as detailed below.

Tony Morris is also a 50% shareholder of the Company's Strategic Adviser, Tessera Investment Management Limited. Refer to related parties note 19 for further details.

SUBCO INCENTIVE SCHEME

The Directors believe that the success of the Company will depend to a high degree on the future performance of key employees and advisers in executing and supporting the Company's growth strategy. The Company has therefore established equity-based incentive arrangements which are, and will continue to be, an important means of retaining, attracting and motivating key employees, consultants and advisers, and also for aligning the interests of the Directors with those of shareholders.

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

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

In order to implement the Subco Incentive Scheme, the Company as sole shareholder of Subco, approved the creation of a new share class in Subco (the "B Shares"). At the same time the Subco's existing ordinary shares were redesignated A Shares. The B Shares do not have voting or dividend rights.

The Participants and their respective B share holdings as at 31 December 2025 are outlined below.

<i>Participant</i>	<i>Subco B Shares</i>
Subco Treasury	50,000
David Williams	40,000
Kathleen Long	10,000
Tony Morris	10,000
	<hr/>
	110,000

On 27 November 2025, Subco acquired back all of the 50,000 B Shares held by Hermco Property Limited (Peter Tom's nominee entity) for aggregate consideration of £1. These B Shares are being held by Subco in treasury.

WARRANTS

On 13 September 2021, the Company constituted 70,000,000 warrants on the terms of an instrument under which the Company issued 30,000,000 warrants to certain existing shareholders of the Company including the Directors, and a further 40,000,000 warrants on admission of the Company to the Main Market of the London Stock Exchange.

The warrants are exercisable at any time from the date of completion of the inaugural transaction (an investment or acquisition) made by the Company where the consideration for such transaction is at least £10 million at a price of £0.10 per ordinary share. These warrants can be exercised through application to the Company. The warrants will not be listed on the London Stock Exchange or any other publicly traded market.

The Directors' respective warrant holdings are detailed below.

<i>Participant</i>	<i>Date of grant</i>	<i>Exercise price</i>	<i>No. of ordinary shares to which the grant relates</i>
Tony Morris*	13 September 2021	£0.10	250,000
David Williams	13 September 2021	£0.10	14,250,000
			<hr/>
			14,500,000

* Warrants held through Tessera Investment Management Limited, which is 50% owned by Tony Morris, Director of the Company

CORPORATE GOVERNANCE

As a Jersey company and a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code 2018. Furthermore, there is no applicable regime of corporate governance to which the directors of a Jersey company must adhere over and above the general fiduciary duties and duties of care, skill and diligence imposed on such directors under Jersey law. Notwithstanding this, the Directors are committed to maintaining high standards of corporate governance and will be responsible for carrying out the Company's objectives and implementing its business strategy. All investment, acquisition, divestment and other strategic decisions are considered and determined by the Board.

At present, the Board reviewed investment and acquisition opportunities on an as required basis, and met regularly with its Strategic Advisor to discuss possible inorganic growth opportunities, as well as monitor deal flow and investment and acquisitions in progress, and review the Company's strategy to ensure that it remains aligned to the delivery of shareholder value. Those investment and acquisition opportunities that are assessed by the Board (with support from its Strategic Advisor) are considered in light of the investment and acquisition criteria as detailed in the Company's Prospectus.

In addition, as part of the investment and acquisition screening process, the Company will augment Board and Strategic Advisor capability on a case by case basis as required with industry and operating partner input, where deep domain expertise can be accessed. The Board provides leadership within a framework of prudent and effective controls. The Board has established the corporate governance values of the Company and has overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company.

In this regard, the Board, so far as is practicable given the Company's size and stage of its development, has voluntarily adopted the QCA Code as its chosen corporate governance framework. There are certain provisions of the QCA Code which the Company will not currently adhere to, and their adoption will be delayed until such time as the Directors believe it appropriate to do so. It is anticipated that this will occur concurrently with the Company's first material investment or acquisition

The Company will seek to develop its corporate governance position, and will address key differences to the QCA Code. Specifically, it is anticipated this will include:

- i. the augmentation of the Board with suitably qualified additional executive and non-executive directors including independents;
- ii. the implementation of audit, remuneration and nomination committees with appropriate terms of reference;
- iii. a formalised annual evaluation and review process covering the Board and Committees, including succession planning;
- iv. the publication of KPIs;
- v. the development of a corporate and social responsibility policy; and
- vi. an enhanced risk management and governance framework tailored to the operating assets and strategic direction of the enlarged entity.

ROLE OF THE BOARD

The Board is responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Directors' responsibility to oversee the financial position of the Group and monitor the business and affairs of the Group, on behalf of the shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Group and Company at all times. The Board also addresses issues relating to internal control and the Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Group does not have a separate investing committee and therefore the Board as a whole will be responsible for sourcing acquisitions and ensuring that opportunities conform with the Group's strategy.

The Group holds four formal Board meetings a year, with unscheduled meetings as matters arise which require the attention of the Board. Formal Board meetings are timed to link to key events in the Group's corporate calendar. Outside the scheduled and unscheduled meetings of the Board, the Directors maintain frequent contact with each other to keep them fully briefed on the Group's operations.

INTERNAL CONTROLS

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems can be identified on a timely basis and dealt with appropriately.

The Group maintains an appropriate process for financial reporting. The annual budget is reviewed and approved by the Board before being formally adopted.

Other key procedures that have been established and which are designed to provide effective control are as follows:

- Management structure – The Board meets regularly on a formal and informal basis to discuss all issues affecting the Group.
- Investment appraisal – The Group has a robust framework for investment appraisal and approval is required by the Board, where appropriate.
- Share dealing and inside information – the Company has adopted a share dealing code regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company takes all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing code.

The Board reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No significant deficiencies have come to light during the year and no weaknesses in internal financial control have resulted in any material losses, or contingencies which would require disclosure, as recommended by the guidance for Directors on reporting on internal financial control.

The Directors are focused on careful management of the Group's cash and financial resources through Board level approvals. At such time that the Group completes an acquisition, the Directors anticipate that the Group's financial position and prospects procedures regime will be updated and expanded as necessary to cater for the nature of the Group's business following completion of its inaugural investment or acquisition.

BOARD EVALUATION

In the year, the Board evaluation process was limited to an ongoing informal evaluation of the performance of the Board by each Director. This will be replaced by a formal, annual evaluation process once the Group has completed its first acquisition.

EXTERNAL ADVISERS

The Board accessed the following external advisers during the year and post the year end:

Mayer Brown International LLP and Ogier (Jersey) LLP – legal

Tessera Investment Management Limited – capital markets and M&A

JTC (Jersey) Limited – company secretarial, governance and regulatory filings

CONFLICTS OF INTEREST

A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The Board has satisfied itself that there are no conflicts of interest where the Directors have appointments on the Boards of, or relationships with, companies outside the Company. Furthermore, the Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest, and therefore believes it has a robust framework to deal with any conflict of interest should it arise.

RELATIONS WITH SHAREHOLDERS

The Chairman is the Group's principal spokesperson with investors, fund managers, the media and other interested parties, alongside support provided by the Company's communications advisers. As well as the Annual General Meeting with shareholders, the other Directors may give formal presentations at investor road shows following the announcement of interim and full year results. Notice of this year's Annual General Meeting will shortly be sent to shareholders.

DISCLOSURE OF INFORMATION TO THE INDEPENDENT AUDITOR

So far as the Directors are aware, there is no relevant audit information of which the Group and Company's independent auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group and Company's independent auditor is aware of that information.

The Directors confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company and the undertakings included in the consolidation taken as whole;
- the Chairman's Statement and Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

INDEPENDENT AUDITOR

The independent auditor, PKF Littlejohn LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

David Williams

Chairman

29 April 2026

BAY CAPITAL PLC
Statement of Directors' responsibilities
For the year ended 31 December 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Jersey Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards ("IFRS"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with IFRS as adopted by the United Kingdom;
- state whether the Company financial statements have been prepared in accordance with FRS 101 "Reduced Disclosure Framework"; 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 responsible for keeping proper accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Group's website is the responsibility of the Directors. The work carried out by the independent auditors does not involve the consideration of these matters and, accordingly, the independent auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation in Jersey governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Bay Capital Plc

Opinion

We have audited the financial statements of Bay Capital Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise:

- | | |
|-----------------------|--|
| Group | <ul style="list-style-type: none">● Consolidated Statement of Comprehensive Income● Consolidated Statement of Financial Position● Consolidated Statement of Changes in Equity● Consolidated Statement of Cash Flows● Notes forming part of the Consolidated Financial Statements, including a summary of significant accounting policies |
| Parent company | <ul style="list-style-type: none">● Company Statement of Comprehensive Income● Company Statement of Financial Position● Company Statement of Changes in Equity● Notes forming part of the Company Financial Statements, including a summary of significant accounting policies |

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice). In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's and parent company's loss for the year then ended; and
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing management's going concern assessment model and associated going concern assumptions paper;
- Checking to the mathematical accuracy of the forecast;
- Performing sensitivity analysis, where applicable, to review the effect of downside scenarios on the ability of the group and the parent company to continue as a going concern; and
- Reviewing the disclosure in the financial statements to confirm it is consistent with the assumptions used, and conclusions reached in the going concern model.

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 or parent company's ability to continue as a going concern for a period of at least twelve months from when the 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.

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as a magnitude of misstatement, including omission, that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We have also considered those misstatements including omissions that would be material by nature and would impact the economic decisions of a reasonably knowledgeable person based on our understanding of the business, industry and complexity involved.

We apply the concept of materiality both in planning and throughout the course of audit, and in evaluating the effect of misstatements. Materiality is used to determine the financial statements areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

In determining materiality and performance materiality, we considered the following factors:

- our cumulative knowledge of the group and its environment;
- the change in the level of judgement required in respect of the key accounting estimates;
- significant transactions during the year;
- the stability in key management personnel; and
- the level of misstatements identified in prior periods.

The materiality and performance materiality for the significant components are calculated considering the same factors as for group.

Materiality for the group financial statements as a whole was set at £85,000 (2024 - £93,000). This was calculated as 2% of net assets (2024 – 2% of net assets). Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as the group is non-operational currently.

Materiality for the parent company of the group was set at £80,750 (2024 - £88,000) calculated as 95% of group materiality (2024 – 95% of group materiality). Performance materiality for the group financial statements was set at £59,500 (2024 - £65,000) being 70% of materiality (2024 –70% of materiality) for the financial statements as a whole. The benchmark of 70% is considered appropriate based on our assessment of the risk of undetected errors arising, the nature of the systems and controls. The performance materiality for the parent company was set at £56,500 (2024 – £62,000) and it was calculated on the same basis as the group performance materiality.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £4,000 for the group (2024 – £4,500). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

Our audit was risk based and was designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size. In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements, considering the structure of the group.

The group includes the listed parent company, Bay Capital Plc, and its subsidiary, Bay Capital Subco Limited. Bay Capital Plc is the only significant component.

We performed a full scope audit on the significant component. The work on the significant component of the group has been performed by us as group auditor. We have performed specified review procedures on the non-significant component.

The scope of our audit was based on significance of operations and materiality. Each component was assessed as to whether they were significant or not to the group by either their size or risk. The parent company was considered significant due to identified risks and the size of the company.

In designing our audit approach, we considered those areas which were deemed to involve significant judgement and estimation by the directors. It was identified that there were no areas which were deemed to involve significant judgement or estimation. We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
<p data-bbox="233 352 576 378">Management override of control</p> <p data-bbox="233 403 714 541">Management are in a unique position to perpetrate fraud by overriding controls which they have designed, implemented and maintain, and therefore which appear to be otherwise operating effectively.</p> <p data-bbox="233 567 714 646">This is considered a Key Audit Matter due to unpredictable manner in which such override could occur.</p>	<p data-bbox="771 403 1068 428">Our work in this area included:</p> <ul data-bbox="771 453 1399 907" style="list-style-type: none"> <li data-bbox="771 453 1399 655">● Testing the appropriateness of manual journals during the period under review, including those made at the end of the period and post-closing entries, to determine whether these were appropriate. This also included making inquiries of individuals with responsibility involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journals; <li data-bbox="771 680 1399 781">● Reviewing accounting estimates, judgements, and assumptions within the financial statements for evidence of management bias, and agreeing them to appropriate supporting documentation; and <li data-bbox="771 806 1399 907">● Evaluating whether there is a clear business rationale to support any significant transactions outside the normal course of the business of the entity, or transactions which otherwise appear to be unusual in nature.

Other information

The other information comprises the information included in the annual report, other than the 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 group and parent company 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 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 financial statements themselves.

If, based on the work we have 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company'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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of cumulative audit knowledge. We also selected a specific audit team based on experience with auditing listed entities.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from
 - Rules of the London Stock Exchange;
 - UK-adopted international accounting standards;
 - Disclosure Guidance and Transparency Rules of the Financial Conduct Authority;
 - Companies (Jersey) Law 1991; and
 - Data Protection Act.

The audit team remained alert to instances of non-compliance with laws and regulations throughout the audit.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management;
 - Reviewing Board minutes;
 - Reviewing the nature of legal professional fees; and
 - Reviewing Regulatory News Services announcements.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- In our audit procedures, we have considered matters of non-compliance with laws and regulations, including fraud at the group and component levels. We have performed audit procedures on all material components within the group.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's 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 the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson

(Engagement Partner)

For and on behalf of PKF Littlejohn LLP

30 Churchill Place

London

E14 5RE

Registered Auditor

29 April 2026

BAY CAPITAL PLC
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	Note	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Administrative expenses		(338,698)	(587,513)
Operating loss	6	<u>(338,698)</u>	<u>(587,513)</u>
Interest receivable		15,447	36,897
Loss on ordinary activities before taxation		<u>(323,251)</u>	<u>(550,616)</u>
Taxation charge	7	-	-
Loss and total comprehensive loss for the year		<u><u>(323,251)</u></u>	<u><u>(550,616)</u></u>
Loss per share (pence)			
Basic and diluted	8	<u><u>(0.46p)</u></u>	<u><u>(0.79p)</u></u>

All activities in both the current and the prior period relate to continuing operations.

The notes on pages 23 to 33 form part of these consolidated financial statements.

BAY CAPITAL PLC
Consolidated Statement of Financial Position
As at 31 December 2025

	31 December	31 December	31 December	31 December
	2025	2025	2024	2024
Note	£	£	£	£
Current assets				
Cash and cash equivalents	11	4,338,374	4,659,886	
Trade and other receivables	12	<u>12,045</u>	<u>9,011</u>	
Total current assets		<u>4,350,419</u>	<u>4,668,897</u>	
Total assets		<u>4,350,419</u>	<u>4,668,897</u>	
Current liabilities				
Trade and other payables	13	<u>85,459</u>	<u>91,666</u>	
Total current liabilities		<u>85,459</u>	<u>91,666</u>	
Total liabilities		<u>85,459</u>	<u>91,666</u>	
Total net assets		<u>4,264,960</u>	<u>4,577,231</u>	
Equity				
Issued share capital	15	700,000	700,000	
Share premium	16	6,258,748	6,258,748	
Capital redemption reserve	16	2	2	
Share-based payment reserve	18	47,168	36,188	
Retained deficit	16	<u>(2,740,958)</u>	<u>(2,417,707)</u>	
Total equity		<u>4,264,960</u>	<u>4,577,231</u>	

The consolidated financial statements were approved and authorised for issue by the Board on 29 April 2026 and were signed on its behalf by:

David Williams
Chairman

The notes on pages 23 to 33 form part of these consolidated financial statements.

BAY CAPITAL PLC
Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital	Share premium	Capital redemption reserve	Share- based payment reserve	Retained deficit	Total
Note	£	£	£	£	£	£
At 1 January 2024	700,000	6,258,748	2	25,207	(1,867,091)	5,116,866
Loss for the year	-	-	-	-	(550,616)	(550,616)
Transactions with owners in their capacity as owners:						
Share-based payment	-	-	-	10,981	-	10,981
At 31 December 2024	700,000	6,258,748	2	36,188	(2,417,707)	4,577,231
Loss for the year	-	-	-	-	(323,251)	(323,251)
Transactions with owners in their capacity as owners:						
Share-based payment	-	-	-	10,980	-	10,980
At 31 December 2025	700,000	6,258,748	2	47,168	(2,740,958)	4,264,960

The notes on pages 23 to 33 form part of these consolidated financial statements.

BAY CAPITAL PLC
Consolidated statement of cash flows
For the year ended 31 December 2025

	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Operating activities		
Loss before taxation	(323,251)	(550,616)
Adjustments for:		
Interest receivable	(15,447)	(36,897)
Share-based payment charge	10,980	10,981
	<hr/>	<hr/>
Operating cash flows before changes in working capital	(327,718)	(576,532)
Increase in trade and other receivables	(282)	(932)
Decrease in trade and other payables	(6,207)	(867,008)
	<hr/>	<hr/>
Net cash outflows from operating activities	(334,207)	(1,444,472)
	<hr/>	<hr/>
Financing activities		
Interest received	12,695	36,897
	<hr/>	<hr/>
Net cash inflow from financing activities	12,695	36,897
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(321,512)	(1,407,575)
Cash and cash equivalents at beginning of the year	4,659,886	6,067,461
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	4,338,374	4,659,886
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 33 form part of these consolidated financial statements.

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025

1 General information

The Company was incorporated on 31 March 2021 as Bay Capital Limited, a private limited company under the laws of Jersey with registered number 134743. On 8 September 2021 the Company was re-registered as an unlisted public limited company and its name was changed to Bay Capital Plc. On 30 September 2021 the Company shares were admitted to trading onto the Main Market of the London Stock Exchange. The Company is the parent company of Bay Capital Subco Limited (a private limited company under the laws of Jersey with registered number 134744).

The address of its registered office is 28 Esplanade, St. Helier, Channel Islands, JE2 3QA, Jersey. The Group has been incorporated for the purpose of identifying suitable acquisition opportunities in accordance with the Group's investment and acquisition strategy with a view to creating shareholder value. The Group will retain a flexible investment and acquisition strategy which will, subject to appropriate levels of due diligence, enable it to deploy capital in target companies by way of minority or majority investments, or full acquisitions where it is in the interests of shareholders to do so. This will include transactions with target companies located in the UK and internationally.

2 Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

The principal policies adopted in the preparation of the consolidated financial statements are as follows:

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with the requirements of UK adopted International Financial Reporting Standards ("IFRS") and the requirements of the Companies (Jersey) Law 1991.

The consolidated financial statements are prepared on the historical cost basis.

(b) Basis of consolidation

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

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

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

(c) Functional and presentational currency

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

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025 (continued)

2 Significant accounting policies (continued)

(d) Going concern

The Directors, having made due and careful enquiry, are of the opinion that the Group has adequate working capital to execute its operations over the next 12 months. The Group's unaudited cash balance as at 14 April 2026 was £4,237,470.31, and excluding the consummation of any investment or acquisition which will likely require specific funding, has adequate resources available to fund the on-going forecasted operating expenses for at least twelve months following approval of the financial statements. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in preparing the annual financial statements.

(e) Employee benefits

Short-term benefits

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

(f) Taxation

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

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

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

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

(g) Cash and cash equivalents

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

(h) Financial assets and liabilities

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

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025 (continued)

2 Significant accounting policies *(continued)*

(i) Share-based payments

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

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

(j) Warrants

Warrants issued as part of share issues have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time as the warrants is equal to the price paid, these warrants, by deduction, are considered to have been issued at fair value.

(k) Accounting standards issued

The following amendments to standards were issued and adopted in the year, with no material impact on the financial statements (all effective for annual periods beginning on or after 1 January 2025):

Reference to the Conceptual Framework - Amendments to IFRS 3

- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability.

There were no other new accounting standards issued that have been adopted in the year.

(l) Standards in issue but not yet effective

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

The Directors do not expect the adoption of these standards or amendments to standards to have a material impact on the financial statements, with the exception of presentational changes as a result of IFRS 18 Presentation and Disclosure in Financial Statements. Given that IFRS 18 is not effective until the period beginning 1 January 2027, the impact assessment of this standard is ongoing and will be considered further in the coming years.

Effective for annual periods beginning on or after 1 January 2026

- Amendments to IFRS 7 and IFRS 9 Financial Instruments – The classification and measurement of financial instruments
- Annual improvements to IFRS Accounting Standards – Volume 11 (including minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows)

Effective for annual periods beginning on or after 1 January 2027

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025 (continued)

3 Accounting estimates and judgements

In preparing the consolidated financial statements, the Directors have to make judgments on how to apply the Group's accounting policies and make estimates about the future. The Directors do not consider there to be any critical estimates or judgments that have been made in arriving at the amounts recognised in the consolidated financial statements with the exception of the valuation of share-based payments. Please see Note 18 for further details.

4 Employees

Staff costs, including Directors, consist of:	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
Wages and salaries	74,612	246,411
Social security costs	186	20,155
Pension costs	713	5,850
	<u>75,511</u>	<u>272,416</u>

Pension costs related to the Company's defined contribution pension scheme. Contributions outstanding at 31 December 2025 were £nil (2024: £488).

	Year ended 31 December 2025	Year ended 31 December 2024
	Number	Number
The average number of employees, including Directors, during the year was:	<u>2</u>	<u>3</u>

5 Directors' remuneration

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
Directors' emoluments	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>

The former Chairman's fees were paid through Rise Rocks Limited, a Company wholly owned by the Chairman. The two Company Directors and the former Company Chief Financial Officer are considered the only key management personnel. In 2025, the total emoluments for key management personnel were £75,511 (2024: £252,261).

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025 (continued)

6 Operating loss

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
This has been arrived at after charging:		
Professional services	196,151	226,843
Acquisition related costs	-	60,031
Fees payable to the Company's independent auditor for the audit of the parent and consolidated accounts	28,000	25,000
	_____	_____

7 Taxation

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
<i>Jersey corporation tax</i>		
Corporation tax on loss for the year	-	-
	_____	_____
Total taxation on loss on ordinary activities	-	-

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses/credits can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses as at 31 December 2025 and 31 December 2024 respectively, as it is not probable at year end that relevant taxable profits will be available in future based on the current activities of the Group as a holding group. There are no expiry dates on these tax losses as at the year end. The unrecognised deferred tax asset is summarised below:

Tax losses and unrecognised deferred tax asset carried forward

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
Cumulative temporary differences and carry forward tax losses	2,740,958	2,417,707
Unrecognised deferred tax asset on above at 10% (based on the enacted tax rate at the date of signing the financial statements)	274,096	241,771
	_____	_____

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025 (continued)

8 Earnings per share

Earnings per share is calculated by dividing the loss after tax for the year by the weighted average number of shares in issue for the year, these figures being as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
Loss used in basic and diluted EPS, being loss after tax	(323,251)	(550,616)
<i>Adjustments:</i>		
Share-based payment charge	10,980	10,981
	<u> </u>	<u> </u>
Adjusted earnings used in adjusted EPS	(312,271)	(539,635)
	<u> </u>	<u> </u>

The Subco Incentive Scheme share options (Note 18) have not been included in the diluted EPS on the basis that they are anti-dilutive, however they may become dilutive in future periods.

	2025 Number	2024 Number
Weighted average number of ordinary shares of 1p each used as the denominator in calculating basic and diluted EPS	70,000,000	70,000,000
	<u> </u>	<u> </u>
<i>Loss per share</i>		
Basic and diluted	(0.46p)	(0.79p)
Adjusted – basic and diluted	(0.45p)	(0.77p)

9 Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA)

	2025 £	2024 £
Operating loss	(338,698)	(587,513)
	<u> </u>	<u> </u>
EBITDA loss	(338,698)	(587,513)
Share-based payment charge	10,980	10,981
	<u> </u>	<u> </u>
Adjusted EBITDA loss	(327,718)	(576,532)
	<u> </u>	<u> </u>

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025 (continued)

10 Subsidiaries

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

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

The address of the registered office of Bay Capital Subco Limited (the "Subco") is 28 Esplanade, St. Helier, Channel Islands, JE2 3QA, Jersey. The Subco was incorporated on 31 March 2021.

The A ordinary shares have full voting rights, full rights to participate in a dividend and full rights to participate in a distribution of capital. The B ordinary shares have been issued pursuant to the Company's Subco Incentive Scheme.

11 Cash and cash equivalents

	2025	2024
	£	£
Cash and cash equivalents	4,338,374	4,659,886
	<u>4,338,374</u>	<u>4,659,886</u>

12 Trade and other receivables

	2025	2024
	£	£
Prepayments	9,293	9,011
Other receivables	2,752	-
	<u>12,045</u>	<u>9,011</u>

BAY CAPITAL PLC
Notes forming part of the Consolidated Financial Statements
For the year ended 31 December 2025 (continued)

13 Trade and other payables

	2025	2024
<i>Current trade and other payables</i>	£	£
Accruals	85,459	80,100
Other tax and social security	-	5,391
Payroll related creditors	-	6,175
	85,459	91,666
	85,459	91,666

14 Financial instruments

The Group's financial assets and liabilities mainly comprise cash, trade and other receivables and trade and other payables. The carrying value of all financial assets and liabilities equals fair value given their short term in nature.

	Financial assets	
	measured at amortised cost	
	2025	2024
	£	£
Current financial assets		
Cash and cash equivalents	4,338,374	4,659,886
Other receivables	2,752	-
	4,341,126	4,659,886
	4,341,126	4,659,886
	Financial liabilities	
	measured at amortised cost	
	2025	2024
	£	£
Current financial liabilities		
Accruals	85,459	80,100
Payroll related creditors	-	6,175
	85,459	86,275
	85,459	86,275

Credit risk

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

BAY CAPITAL PLC
Notes forming part of the consolidated financial statements
For the year ended 31 December 2025 (continued)

14 Financial instruments *(continued)*

Liquidity risk

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

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

The following table details the contractual maturity of financial liabilities based on the dates the liabilities are due to be settled:

Financial liabilities:

	Less than 1 year £	2 to 5 Years £	More than 5 years £	Total £
Accruals	85,459	-	-	85,459
At 31 December 2025	85,459	-	-	85,459

15 Share capital

	Allotted, called up and fully paid			2024 £
	2025 Number	2024 Number	2025 £	
Ordinary shares of 1p each:	70,000,000	70,000,000	700,000	700,000
At 31 December	70,000,000	70,000,000	700,000	700,000

16 Reserves

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

Capital redemption reserve includes amounts in relation to deferred shared capital.

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

The Directors have proposed that there will be no final dividend in respect of 2025 (2024: £nil).

BAY CAPITAL PLC

Notes forming part of the consolidated financial statements

For the year ended 31 December 2025 (continued)

17 Share Incentive Plan

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

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

18 Share-based payments

The Subco Incentive Scheme detailed in Note 17 is an equity-settled share option plan which allows employees and advisors of the Group to sell their B shares to the Company in exchange for a cash payment or for shares in the Company (at the Company's election) if certain conditions are met.

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

The weighted average exercise price of the outstanding B share options is £0.10 which have a weighted average contractual life of 9 months. 110,000 B share options were issued in the nine-month period to 31 December 2021, all of which were outstanding at the current year end. No B share options were exercised in the current or prior period. No B share options have expired during the current or prior period.

The Group recognised £10,980 (2024: £10,981) of expenditure statement of total comprehensive income in relation to equity-settled share-based payments in the year.

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

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

Opening share price	10.0p
Expected volatility of share price	16.67%
Expected life of options	5 years
Risk-free rate	0.73%
Target increase in share price per annum	10%
Fair value of options	50.342p

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

BAY CAPITAL PLC
Notes forming part of the consolidated financial statements
For the year ended 31 December 2025 (continued)

18 Share-based payments *(continued)*

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

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

19 Related party transactions

Transactions with key management personnel

Key management personnel comprise the Directors and executive officers. The remuneration of the individual Directors is disclosed in the Report of the Directors and key management personnel in note 5.

On 28 November 2025, the Chairman stepped down from the Board and sold his shareholding. David William has acquired 1,694,916 ordinary shares in the Company and holds a total of 15,944,916 ordinary shares, representing 22.8% of the Company's issued share capital.

The Company's strategic advisor, Tony Morris, has joined as a Non-Executive Director and does not receive any director's fee.

Other transactions

The Company has entered into an arm's length strategic advisory agreement with Tessera Investment Management Limited, a company of which Tony Morris is a director and holds 50% shareholding. During the year, it received strategic advisory fees of £121,256 (2024: £120,060).

20 Post balance sheet events

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

21 Contingent liabilities

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

BAY CAPITAL PLC
Company Statement of Comprehensive Income
For the year ended 31 December 2025

	Year ended 31 December 2025 £	Year ended 31 December 2024 £
Administrative expenses	(338,698)	(587,513)
Operating loss	(338,698)	(587,513)
Interest receivable	15,447	36,897
Loss on ordinary activities before taxation	(323,251)	(550,616)
Taxation charge	-	-
Loss and total comprehensive loss for the year	(323,251)	(550,616)

All activities in both the current and the prior period relate to continuing operations.

The notes on pages 37 to 40 form part of these financial statements.

BAY CAPITAL PLC
Company Statement of Financial Position
As at 31 December 2025

	Note	31 December 2025 £	31 December 2025 £	31 December 2024 £	31 December 2024 £
Non-current assets					
Investment in subsidiaries	3		<u>10</u>		<u>10</u>
Current assets					
Cash and cash equivalents	4	4,338,374		4,659,886	
Trade and other receivables	5	<u>12,045</u>		<u>9,011</u>	
Total current assets			4,350,419		4,668,897
Total assets			<u>4,350,429</u>		<u>4,668,907</u>
Current liabilities					
Trade and other payables	6	<u>85,469</u>		<u>91,676</u>	
Total liabilities			<u>85,469</u>		<u>91,676</u>
Total net assets			<u>4,264,960</u>		<u>4,577,231</u>
Equity					
Issued share capital	7		700,000		700,000
Share premium			6,258,748		6,258,748
Capital redemption reserve			2		2
Share-based payment reserve			47,168		36,188
Retained deficit			<u>(2,740,958)</u>		<u>(2,417,707)</u>
Shareholders' funds			<u>4,264,960</u>		<u>4,577,231</u>

The Company financial statements were approved and authorised for issue by the Board on 29 April 2026 and were signed on its behalf by:

David Williams
Chairman

The notes on pages 37 to 40 form part of these financial statements.

BAY CAPITAL PLC
Company Statement of Changes in Equity
For the year ended 31 December 2025

Note	Share capital £	Share premium £	Capital redemption reserve £	Share- based payment reserves £	Retained deficit £	Total £
At 1 January 2024	700,000	6,258,748	2	25,207	(1,867,091)	5,116,866
Loss for the year	-	-	-	-	(550,616)	(550,616)
Transactions with owners in their capacity as owners:						
Share-based payment	-	-	-	10,981	-	10,981
At 31 December 2024	700,000	6,258,748	2	36,188	(2,417,707)	4,577,231
Loss for the year	-	-	-	-	(323,251)	(323,251)
Transactions with owners in their capacity as owners:						
Share-based payment	-	-	-	10,980	-	10,980
At 31 December 2025	700,000	6,258,748	2	47,168	(2,740,958)	4,264,960

The notes on pages 37 to 40 form part of these financial statements.

BAY CAPITAL PLC
Notes forming part of the Company financial statements
For the year ended 31 December 2025

1 Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

The principal policies adopted in the preparation of the Company financial statements are as follows:

(a) Basis of preparation

These financial statements have been prepared in accordance with the requirements of FRS 101 “Reduced disclosure Framework”, the Financial Reporting Standard applicable in the UK and the requirements of the Companies (Jersey) Law 1991.

The financial statements are prepared on the historical cost basis.

(b) Investments

Investments in subsidiary undertakings are stated at cost unless, in the opinion of the Directors, there has been impairment to their value, in which case they are written down to their recoverable amount.

(c) Functional and presentational currency

The Company’s functional and presentational currency for these financial statements is the pound sterling.

(d) Going concern

See note 2 of the consolidated financial statements.

Financial assets and liabilities

The Company’s financial assets and liabilities comprise of cash, trade and other receivables and trade and other payables.

Trade and other payables are not interest bearing and are stated at their amortised cost.

(f) Taxation

Current tax is the expected tax payable on the taxable income for the year.

BAY CAPITAL PLC
Notes forming part of the Company financial statements
For the year ended 31 December 2025 (continued)

1 Significant accounting policies (continued)

(g) Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS101. Therefore, these financial statements do not include:

- Certain disclosures regarding the Company's capital
- A statement of cash flows
- The effect of future accounting standards not yet adopted
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with other wholly owned members of the Group headed by Bay Capital Plc.

In addition, and in accordance with FRS101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Bay Capital Plc. These financial statements do not include certain disclosures in respect of:

- Share-based payments
- Impairment of assets
- Disclosures required in relation to financial instruments and capital management

(h) Judgements and key areas of estimation uncertainty

In preparing the Company financial statements, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical estimates or judgments that have been made in arriving at the amounts recognised in the Company financial statements.

2 Employees

Staff costs, including Directors, consist of:	Year ended 31 December 2025	Year ended 31 December 2024
	£	£
Wages and salaries	74,612	246,411
Social security costs	186	20,155
Pension costs	713	5,850
	<u>75,511</u>	<u>272,416</u>
	<hr/>	<hr/>
	Year ended 31 December 2025	Year ended 31 December 2024
	Number	Number
The average number of employees, including Directors, during the year was:	2	3
	<hr/>	<hr/>

The former Chairman's fees were paid through Rise Rocks Limited, a Company wholly owned by the Chairman. The two Company Directors and the former Company Chief Financial Officer are considered the only key management personnel. In 2025, the total emoluments for key management personnel were £75,511 (2024: £252,261).

BAY CAPITAL PLC
Notes forming part of the Company financial statements
For the year ended 31 December 2025 (continued)

3 Investment in subsidiaries

	Shares in subsidiary undertakings £
<i>Cost and net book value</i>	
At 31 December 2024 and 31 December 2025	10
	10

Details of the Company's subsidiaries are shown in Note 10 of the consolidated financial statements.

4 Cash and cash equivalents

	2025 £	2024 £
Cash and cash equivalents	4,338,374	4,659,886
	4,338,374	4,659,886

5 Trade and other receivables

	2025 £	2024 £
Prepayments	9,293	9,011
Other receivables	2,752	-
	12,045	9,011

All amounts shown under receivables fall due for payment within one year.

6 Trade and other payables

	2025 £	2024 £
Amounts due to subsidiary undertakings	10	10
Accruals	85,459	80,100
Other tax and social security	-	5,391
Payroll related creditors	-	6,175
	85,469	91,676

Amounts due to subsidiary undertakings are interest-free and repayable on demand.

BAY CAPITAL PLC
Notes forming part of the Company financial statements
For the year ended 31 December 2025 (continued)

7 Share capital

	Allotted, called up and fully paid			
	2025 Number	2024 Number	2025 £	2024 £
Ordinary shares of 1p each	70,000,000	70,000,000	700,000	700,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	70,000,000	70,000,000	700,000	700,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8 Related party transactions

Transactions with other Group companies have not been disclosed as permitted by FRS101, as the Group companies are wholly owned. See Note 19 of the consolidated financial statement for further details.

9 Contingent liabilities

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

10 Post balance sheet events

Seen note 20 to the consolidated financial statements.

11 Ultimate controlling party

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